United Nations A/C.5/52/SR.59

General Assembly
Fifty-second session

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Fifth Committee

Summary record of the 59th meeting
Held at Headquarters, New York, on Friday, 27 March 1998, at 3 p.m.

Chairman: Mr. Chowdhury ..... (Bangladesh)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 17: Appointments to fill vacancies in subsidiary organs and other appointments (*continued*)

(g) Appointment of members and alternate members of the United Nations Staff Pension Committee (*continued*)

Agenda item 125: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*)

Agenda item 118: Joint Inspection Unit (*continued*)

Agenda item 143: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*)

Agenda item 114: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 116: Proposed programme budget for the biennium 1998-1999 (*continued*)

Integrated Management Information System (*continued*)

Agenda item 115: Programme budget for the biennium 1996-1997 (*continued*)

Agenda item 119: Pattern of conferences (*continued*)

Organization of work

Completion of the Committee's work for the first part of the resumed fifty-second session of the General Assembly

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The meeting was called to order at 5 p.m.

Agenda item 17: Appointments to fill vacancies in subsidiary organs and other appointments (*continued*)

(g) Appointment of members and alternate members of the United Nations Staff Pension Committee (*continued*) (A/C.5/52/11/Add.2 and 3)

1. **The Chairman** recalled that at its 24th meeting the Committee had decided to postpone the election to fill the two remaining vacant seats, one to be filled by the Group of African States and one by the Group of Asian States, in the United Nations Staff Pension Committee. He invited the Committee to take action on the vacancy to be filled by the African States. In that connection the Committee had before it two notes by the Secretary-General in documents A/C.5/52/11/Add.2 and Add.3, in which the Secretary-General communicated to the General Assembly the names of two persons nominated by their respective Governments for appointment to the United Nations Staff Pension Committee for a three-year term of office beginning on 1 January 1998. In view of the endorsement of the candidacy of Mr. Odaga-Jalomayo (Uganda) by the Group of African States, the Government of Benin had informed the Secretariat that it would not insist on the candidature of Mr. Akplogan.

2. He took it that the Committee wished to take a decision by acclamation.

3. *It was so decided.*

4. *The Committee decided to recommend the appointment of Mr. Odaga-Jalomayo (Uganda) to the United Nations Staff Pension Committee.*

Agenda item 125: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*) (A/C.5/52/L.30)

Draft resolution A/C.5/52/L.30

5. **Mr. Hanson-Hall** (Ghana), introducing draft resolution A/C.5/52/L.30 on the financing of the United Nations Mission for the Referendum in Western Sahara, said that the draft resolution resulted from informal consultations in which all delegations had shown great statesmanship.

6. *Draft resolution A/C.5/52/L.30 was adopted.*

7. **Mr. Zahid** (Morocco) requested that the explanation provided in the informal consultations should be recorded in the Committee's summary records.

8. **Ms. Laheurte** (Department of Peacekeeping Operations) said that in Security Council resolution 1133 (1997), the Secretary-General had been requested to begin the identification of eligible voters in accordance with the Settlement Plan. During the preparations for the resumption of the identification process, in November 1997 the Acting Special Representative had informed the two parties that the United Nations Mission for the Referendum in Western Sahara (MINURSO) planned to open 12 centres in all, 9 of which would function concurrently, in accordance with paragraph 6 of the November 1997 report of the Secretary-General (S/1997/882). In paragraph 4 of his January 1998 report (S/1998/35), the Secretary-General referred to the arrangements which had been initiated by MINURSO to start the identification process in Mauritania and Morocco to reach the planned total of nine centres operating concurrently. In that context, it had initially been envisaged that two centres would operate in southern Morocco, at Tan Tan and Goulemine, but because many members of non-contested tribes resided in northern Morocco, the Secretary-General had concluded, as noted in paragraph 30 of the January 1998 report, that it would be more practical to convoke and identify them in the northern part of the country. The Secretary-General had therefore decided that the identification sessions initially scheduled to take place in Tan Tan and Goulemine should be held at two northern locations, El Kelaa des Sraghna and Sidi Kacem. That had been a purely practical, operational decision to facilitate the identification of applicants from non-contested tribes resident in northern Morocco. The decision did not in any way prejudge any decision by the Secretary-General or the Security Council about persons from non-contested tribes wishing to participate in the referendum.

9. **Mr. Mesdoua** (Algeria) said that the Committee had not had to consider the political aspects of the issue; it was responsible for financial and budgetary questions, and there were other bodies in which the political aspects were taken up. Paragraph 30 of document S/1998/35 clearly referred to a decision taken by the Secretary-General; in that decision, the Secretary-General had never used the word "centres". The decision had been taken on a temporary and exceptional basis. Two identification teams, from Tan Tan and Goulemine, would go to the northern part of Morocco to carry out a temporary mission.

10. **Mr. Zahid** (Morocco) said that when the Secretary-General had referred to a decision to identify candidates from non-contested tribes in two localities, he had, of course, meant centres. The identification process would take place in United Nations centres, with United Nations teams, not necessarily from the south of Morocco. Nine centres would

operate concurrently, there were two additional centres, and the total number might reach 12 or even more if the Secretary-General considered it necessary in order to activate the process. Morocco had asked for more centres because it wanted the process to be completed as soon as possible. It was prepared to make available to the United Nations the resources to open centres in northern Morocco because of the large number of applicants. Any opposition to the establishment of centres was an attempt to delay the identification process.

11. **The Chairman** said that the Committee had made good progress, and should respect the agreement it had reached in adopting draft resolution A/C.5/52/L.30. The substantive issues could be dealt with in other forums; the Committee was concerned only with the financing of MINURSO.

12. **Mr. Mesdoua** (Algeria) said that his delegation had shown great flexibility. It had accepted paragraph 5 of the draft resolution, even though that paragraph was somewhat lame, in order to save time and avoid complications. His delegation's objective was to give firm support to MINURSO, to the implementation of the Settlement Plan and the Houston agreements within the prescribed time limits, and to the organization of a referendum on self-determination for the Saharan people.

13. **Mr. Zahid** (Morocco) said that paragraph 5 was not lame, and had been supported by delegations. His delegation had asked for the explanation provided by the Secretariat to be repeated at the formal meeting so that it would be clear to everyone, including Algeria.

Agenda item 118: Joint Inspection Unit (*continued*)

14. **The Chairman** said that he took it that the Committee wished to recommend to the General Assembly that it should defer consideration of agenda item 118 to the second part of the resumed fifty-second session.

15. *It was so decided.*

Agenda item 143: Report of the Secretary-General on the activities of the Office of Internal Oversight Services (*continued*)

16. **The Chairman** said that the importance of an oversight mechanism could not be overstated. It was very important that the mechanism should be efficient and effective and should serve the interests of the Organization in the best possible way.

17. He took it that the Committee wished to recommend to the General Assembly that it should defer consideration of agenda item 143 to the second part of the resumed fifty-second session.

18. *It was so decided.*

The meeting was suspended at 5.30 p.m. and resumed at 7.10 p.m.

Agenda item 114: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/C.5/52/L.31)

Draft resolution A/C.5/52/L.31

19. **Mr. Armitage** (Australia), introducing draft resolution A/C.5/52/L.31, expressed the hope that it would be adopted by consensus.

20. **Mr. Niwa** (Acting Assistant Secretary-General for Central Support Services) said that the Secretariat would do its best to comply with the request that the revised procurement manual should be published no later than 31 March 1998.

21. **Ms. Achouri** (Tunisia) said that the French text of part B, paragraph 2, needed to be brought in line with the English text.

22. **Ms. Letrot Hadj Hamou** (France) noted that in paragraph 22 of the French version of draft resolution A/C.5/52/L.31, the fourth line should read "*qui lui ont été présentés*", and suggested that the last line should be replaced by "*et de rapporter à l'Assemblée générale via le Comité consultatif*" to bring it into line with the English text.

23. **Mr. Sial** (Pakistan) said that in paragraph 29, line 2, the wording that had been agreed on in the informal consultations was "fifty-third regular session" rather than "fifty-third session", to make it clear that the reference was to the period between September and December 1998.

24. **The Chairman** said that the same meaning could be conveyed by the use of the expression "main part of the fifty-third session".

25. *Draft resolution A/C.5/52/L.31, as orally revised, was adopted.*

26. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, welcomed the adoption of the draft resolution. Procurement reform and outsourcing practices were of concern to the Group of 77 and China. The roster of suppliers should be established and contracts awarded on as wide a geographical basis as possible, taking into account the particular interests of the developing countries.

27. **Mr. Sulaiman** (Syrian Arab Republic) said that the structural aspects of the procurement system, especially the

issue of posts, should have been handled by the Secretariat. Under the resolution just adopted, the Secretary-General would carry out a comprehensive review of the organizational structure of the Procurement Division, including the post of Chairman of the Headquarters Committee on Contracts. The role of that Committee in reducing procurement-related arbitration cases as much as possible should be emphasized.

28. **Mr. Kuznetzov** (Russian Federation) expressed satisfaction at the adoption of the draft resolution, to which his delegation attached great importance. There had been little progress during the previous four years in the area of procurement reform, but the situation now looked more promising. The question of arbitration had hitherto been particularly unsatisfactory; the General Assembly had asked the Secretary-General to report at its fifty-second session on arbitration cases, but no report had been submitted, while questions raised by various delegations had gone unanswered or had received unhelpful responses. It was to be hoped that the Office of Internal Oversight Services (OIOS) would implement paragraph 24 of draft resolution A/C.5/52/L.31 on a priority basis, so that the Secretary-General could report on procurement reform in general, and arbitration in particular, at the fifty-third session.

29. **Mr. Demir** (Turkey) emphasized the importance of procurement reform and outsourcing practices. Competitive bidding should be at the heart of the procurement process, and, in order to foster competition, all invitations to tender should be posted on the Procurement Division's website home page and circulated to permanent missions. The roster of suppliers should be used efficiently and with a view to increasing the procurement of goods and services from suppliers in developing countries. It was regrettable that the revised Procurement Manual had not yet been issued.

30. **Mr. Odaga-Jalomayo** (Uganda) said that in view of recent reductions in procurement functions at Headquarters, there could be no justification for the proposed reclassification of the post of head of the Procurement Division to the D-2 level. His delegation was concerned at the number of high-level posts that were being created within the Organization.

31. **Mr. Sial** (Pakistan) pointed out that in paragraph 15 of the draft resolution just adopted, the expression "other intergovernmental institutions" was ambiguous. In the informal consultations it had been suggested that the practice of the World Bank, specifically, should be taken into account, and he asked that that should be borne in mind in the preparation of the report referred to in the paragraph. The resolution included various time limits and deadlines that had not been set by the General Assembly, but, rather, had been taken from the Secretary-General's report; it was to be hoped that they represented a commitment on the part of the Secretary-General.

32. **Mr. Hanson** (Canada) said that, in his delegation's view, the proposed reclassification of the head of the Procurement Division was fully justified owing to the prospect of increased responsibilities opened up by paragraphs 14 and 15 of draft resolution A/C.5/52/L.31.

33. **Mr. Saha** (India) said that the first priority was the production by the Procurement Division of reports within the specified time limits. The proposed reclassification was of secondary importance.

34. **The Chairman** noted that the timely production of documentation was of the utmost importance, and he urged the Secretariat to bear that fact in mind.

Agenda item 116: Proposed programme budget for the biennium 1998-1999 (*continued*)

Integrated Management Information System (*continued*) (A/C.5/52/L.32)

Agenda item 115: Programme budget for the biennium 1996-1997 (*continued*) (A/C.5/52/L.33)

Draft resolution A/C.5/52/L.32

Draft decision A/C.5/52/L.33

35. **Mr. Riva** (Argentina), introducing draft resolution A/C.5/52/L.32 and draft decision A/C.5/52/L.33, urged their adoption by consensus.

36. **Ms. Letrot Hadj Hamou** (France) suggested that in the last line of paragraph 10 of the draft resolution, the words "*afin d'éviter dans la mesure du possible des frais inutiles*" should be replaced by "*afin de limiter les paiements non justifiés*", in order to bring the French version into line with its English counterpart. Paragraph (b) (ii) of the French text of draft decision A/C.5/52/L.33 referred to an amount of $2.3 million, which should be corrected to $1.3 million. She suggested that in the first line of paragraph (c) of the French text, the words "*afin de financer les activités*" should be replaced by "*dans la perspective de financer les activités*", to bring the French version into line with the English text.

37. **Ms. Fahmy** (Egypt) said that, in paragraph 9 of draft resolution A/C.5/52/L.32, the reference should be to paragraphs 25 and 27 of the annex to the report and not of the report itself.

38. *Draft resolution A/C.5/52/L.32, as orally amended, was adopted.*

39. *Draft decision A/C.5/52/L.33 was adopted.*

40. **Ms. Fahmy** (Egypt) speaking in explanation of position on draft decision A/C.5/52/L.33, thanked the representative of Argentina for his efforts to secure a consensus. Her delegation had joined the consensus despite its belief that the additional resources required for the Integrated Management Information System could have been provided from the programme budget for the biennium 1998-1999 instead of from the unspent balance for the biennium 1996-1997. It had also joined the consensus on the understanding that the decision adopted by the Committee would not prejudge the report that the General Assembly had requested from the Secretary-General in its resolutions 51/167 and 52/220 on the utilization by the United Nations Conference on Trade and Development of the savings realized in the budget for the biennium 1996-1997. It was important that the Secretariat should submit that report to the General Assembly at the second part of its resumed fifty-second session and that consideration of the report should be included in the agenda for the fifty-third session.

41. **Mr. Yamagiwa** (Japan), speaking in explanation of position on draft decision A/C.5/52/L.33, said that the unspent balance from the programme budget for the biennium 1996-1997 could not automatically be used for the IMIS project; on the contrary, it should in principle be returned to Member States in accordance with the Financial Regulations. However, his delegation had voted in favour of the draft decision so that it could be adopted by consensus. The question of the disposal of the remaining surplus should be considered at the main part of the fifty-third session of the General Assembly.

42. **Ms. Silot Bravo** (Cuba) said that she would have preferred to see provision for the IMIS project included in the 1998-1999 budget, but had voted in favour of the draft decision so that it could be adopted by consensus. The improvement and refurbishing of conference facilities represented a valid use of unspent funds, as did the financing of UNCTAD activities. She reiterated her delegation's request for information from the Secretariat on the recruitment of personnel, which information should be made available without delay.

43. **Mr. Niwa** (Assistant Secretary-General for Central Support Services), referring to comments made earlier in the week by the Under-Secretary-General for Management, said that he would like to clarify the issue of the Food and Agriculture Organization (FAO) computerized management information system, which, in 1989, the United Nations had intended to customize for its own use. Because of cost considerations, however, the United Nations had subsequently decided not to adopt that system. The FAO system had been implemented between 1989 and 1990, and was still in operation. Early in 1996, however, the FAO had decided to launch a new project to replace it.

44. **The Chairman** said that he trusted that the Secretariat officials concerned had taken due note of the representative of Cuba's request for information.

Agenda item 119: Pattern of conferences (*continued*) (A/52/829)

45. **The Chairman** proposed that the Committee should recommend that the General Assembly, recalling paragraph 26 of its resolution 52/214 B of 22 December 1997, in which it expressed deep concern about the technical and audio quality of some conference rooms, and requested the Secretary-General to present proposals in order to ensure all necessary resources for the upgrading of those conference rooms, including the interpretation booths, having considered the report of the Secretary-General, contained in document A/52/829, on the measures to ensure the necessary resources for the upgrading of conference rooms and interpretation booths: (1) should decide to authorize the amount of $1.3 million for the upgrading of conference rooms 4 and 5 and to charge the expenditures against the overall balance of appropriations for the biennium 1996-1997 to be retained (as an exception to the provisions of Financial Regulations 4.3, 4.4 and 5.2 (d)); (2) should request the Secretary-General to ensure that the refurbishment of those conference rooms was completed as soon as possible during the biennium 1998-1999.

46. He would take it that the Committee wished to adopt the draft decision.

47. *It was so decided.*

48. **The Chairman** drew the Committee's attention to a draft decision proposed by the representative of the Syrian Arab Republic concerning documents related to the United Nations Conference on the Standardization of Geographical Names that were issued by the Secretariat. The Committee would recommend that the General Assembly should decide, without prejudice to the relevant rules of procedure governing the Conference on the Standardization of Geographical Names, that the documents related to that Conference, which were issued by the Secretariat, should be translated into the six official languages.

49. He would take it that the Committee wished to adopt the draft decision.

50. *It was so decided.*

51. **Mr. Sulaiman** (Syrian Arab Republic), speaking in explanation of position, said that the adoption of the decision was fully consonant with the principle of equality among languages. His delegation thanked the Assistant Secretary-General for General Assembly Affairs and Conference Services for his cooperation in that regard and for his successful efforts to expedite the completion of the summary records for the previous session.

52. **The Chairman** said that in view of the concerns which members had expressed he would reiterate to the Office of Communications and Public Information (OCPI) the need for the staff responsible for the preparation of press releases to be assigned on a continuous basis in order to permit them to develop the expertise required to report effectively on the often technical subjects that were discussed by the Fifth Committee.

53. On the question of documentation in general, he wished to propose that the Committee should recommend that the General Assembly should note that documents were not being submitted as required under paragraphs 24 and 25 of General Assembly resolution 52/214 B and emphasize that the provisions of those paragraphs should be fully implemented.

54. He would take it that the Committee wished to adopt the draft decision.

55. *It was so decided.*

Organization of work

56. **Mr. Saha** (India) noted with satisfaction that the Committee had concluded its deliberations without having had to convene any previous night meetings. He hoped that the work programme for the next part of the resumed session would take account of the lessons learnt during the current part of the session.

57. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, voiced concern over the Committee's failure to take action on certain issues, owing to the late issuance of reports by the Secretariat. He requested the Secretariat to ensure that all reports to be considered by the Committee during the following part of the resumed session were made available to delegations in a timely manner.

58. **Mr. Sial** (Pakistan) regretted the Commitee's failure to take action on certain items, including the issues of gratis personnel and the use of consultants, because of the Secretariat's failure to complete the relevant reports on time. He hoped that that situation would not be repeated at the next part of the resumed session and that the provisions of paragraphs 24 and 25 of Assembly resolution 52/214 B would be respected.

59. **Mr. Odaga-Jalomayo** (Uganda) said that the postponement of so many items on the Committee's agenda imposed undue hardship on the delegations of small developing States. He hoped that in the future adequate time would be allotted for the consideration of all items that had been included in the agenda. He was also concerned at the growing tendencies to link items which should be considered individually and on their own merits and to address correspondence to individuals rather than to delegations, as the representatives of Governments. He hoped that those two trends could be nipped in the bud.

60. **Mr. Watanabe** (Japan) said that his delegation supported the comments just made by the representative of Uganda. Little had changed in the Committee's working methods during the current part of the resumed session and he looked forward to more substantive improvements during the next part of the resumed session. He hoped, finally, that Japan's recent payment of $187 million would help to alleviate the financial crisis which the Organization was currently experiencing.

61. **Ms. Silot Bravo** (Cuba) said that her delegation also supported the views expressed by the representative of Uganda and was equally concerned over the number of items whose consideration had been deferred.

62. **The Chairman** said that he had prepared a draft paper on the working methods of the Committee as a first step towards addressing the concerns which many delegations had expressed on that subject. He looked forward to receiving members' proposals and comments on the draft text by the middle of April so that he could prepare a revised paper on the topic in time for the next part of the resumed session. On the subject of the late issuance of documentation, the Bureau would prepare a checklist of the documents and reports which had been requested by the Committee.

Completion of the Committee's work for the first part of the resumed fifty-second session of the General Assembly

63. **The Chairman** declared that the Fifth Committee had completed its work for the first part of the resumed fifty-second session.

The meeting rose at 8.50 p.m.

United Nations A/C.5/52/SR.60

General Assembly
Fifty-second session

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Fifth Committee

Summary record of the 60th meeting
Held at Headquarters, New York, on Monday, 11 May 1998, at 10 a.m.

Chairman: Mr. Chowdhury ..... (Bangladesh)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Organization of work

Agenda item 114: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 116: Programme budget for the biennium 1998-1999 (*continued*)

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98-80610 (E)

The meeting was called to order at 10.20 a.m.

Organization of work (A/C.5/52/1/Add.4, A/C.5/52/53, A/C.5/52/L.34)

1. **The Chairman** drew attention to two letters from the President of the General Assembly addressed to the Chairman of the Fifth Committee, namely document A/C.5/52/1/Add.4 regarding the allocation to the Committee of a new agenda item, item 161, entitled "Financing of the United Nations Mission in the Central African Republic", and document A/C.5/52/53 concerning General Assembly decision 52/477, entitled "United Nations reform: measures and proposals", with particular reference to the first paragraph of that decision. He also drew attention to the note by the Bureau on the status of preparedness of documentation (A/C.5/52/L.34).

2. The reports allocated to the Committee under General Assembly decision 52/477, namely the report of the Secretary-General on a revolving credit fund (A/52/822), the note by the Secretary-General on the utilization of the Development Account (A/52/848) and the note by the Secretary-General on the impact of the implementation of pilot projects on budgetary practices and procedures (A/52/852), had been listed under agenda item 116. As requested by the General Assembly, the Committee would, at the current part of the resumed session, consider only the note by the Secretary-General on the utilization of the Development Account (A/52/848).

3. The Bureau had periodically reviewed the status of preparedness of documentation with the Secretariat and with the Advisory Committee on Administrative and Budgetary Questions (ACABQ). It had been advised that, because of the large number of reports to be considered, the Advisory Committee had been able to take up only issues relating to peacekeeping operations which were to be considered at the current part of the resumed session in accordance with General Assembly resolution 49/233.

4. The note by the Bureau on the status of documentation (A/C.5/52/L.34) contained two sections: section A contained a list of questions for consideration during the second part of the resumed fifty-second session, and section B contained a list of questions for consideration during the fifty-third session of the General Assembly.

5. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, said it was regrettable that the chronic problem of the late submission of documents continued and that some important reports had not yet been issued. Furthermore, most reports had not been issued in accordance with the six-week rule. In that connection, he referred to the letter dated 26 February 1998 from the Acting Chairman of the Group of 77 and China (A/C.5/52/40) underscoring the need for documents to be issued in compliance with that rule. The Group of 77 and China and other Member States had repeatedly called for the timely submission of documents in accordance with decisions of the General Assembly; non-compliance with the relevant rules and General Assembly resolutions adversely affected the smooth and efficient functioning of the Committee.

6. It was disappointing that some recent reports lacked substantive and comprehensive information and were of poor quality; that would only impede the work of the Committee. It was also a matter of concern that documents which had not been requested by the legislative bodies had been submitted, while documents requested by the General Assembly had not been issued on time. The responsible officials in the Secretariat should explain the reasons for the late issuance of documents. It was, moreover, regrettable that documents were not being submitted in accordance with paragraphs 24 and 25 of General Assembly resolution 52/214 B and decision 52/471.

7. Because of time constraints, the Committee should establish priorities in its programme of work. Ample time should be devoted to the following issues: the support account; the programme budget for the biennium 1998-1999, particularly the utilization of the Development Account and the reduction and refocusing of non-programme costs; gratis personnel; and the financing of the United Nations peacekeeping operations.

8. The Group of 77 and China were concerned that the list of documents did not include the Secretary-General's proposals on savings made in financing the activities of the United Nations Conference on Trade and Development (UNCTAD), as requested by the General Assembly in resolutions 51/167 and 52/220 and General Assembly decision 52/426. The Secretary-General's comments should be issued at the earliest possible time for consideration during the current part of the resumed session or during the third part of the resumed session at the latest, as the Trade and Development Board had just adopted its recommendations on the report that had been requested. The Secretariat should explain the reasons for the inordinate delay in the submission of that report.

9. The Group of 77 and China stressed the importance and need to respect the current decision-making frameworks of both formal meetings and informal consultations in order to ensure full transparency in the consideration of all agenda items.

10. **Mr. Moktefi** (Algeria) said that his delegation fully supported the statement made by the representative of Indonesia on behalf of the Group of 77 and China. The priorities identified by the Group of 77 and China must be taken into account, and there must be full transparency so that all delegations were fully involved in the decision-making process.

11. With regard to the reports and notes allocated to the Committee under General Assembly decision 52/477, his delegation felt that, although the note by the Secretary-General on the utilization of the Development Account (A/52/848) could be considered under agenda item 116, the other two documents (A/52/822 and A/52/852) should be kept under agenda item 157 or considered under agenda item 114.

12. **Mr. Bond** (United States of America) said that his delegation was now ready to take up the issue of third-party liability, under agenda item 142 (a), an issue which had been deferred at its request. It should, however, be taken up at a time when representatives of the Office of Legal Affairs could be present.

13. **Mr. Sulaiman** (Syrian Arab Republic) supported the view expressed by the representative of Indonesia on behalf of the Group of 77 and China with regard to the delay in issuing documentation. He especially regretted that the reports of ACABQ on the United Nations Disengagement Observer Force (A/52/860/Add.5) and the United Nations Interim Force in Lebanon (A/52/860/Add.6) had been issued late, even though ACABQ had concluded its consideration of those reports much earlier. The Secretariat should have expedited them. Without those two documents, his delegation was unable to take a decision on item 122 (Financing of the United Nations peacekeeping forces in the Middle East).

14. **Mr. Odaga Jalomayo** (Uganda) said his delegation hoped that issues would be considered on their merits, not through linkages, and that information would be provided in a timely manner. It fully subscribed to the statement made on behalf of the Group of 77 and China.

15. His delegation was appalled at the substandard quality of some reports. It had repeatedly raised concerns about the risk that savings might be effected at the expense of the quality of work. The level and quality of work must be maintained or increased, or the future of the Organization would be in jeopardy.

16. Since there were many issues to be considered, the Committee must be pragmatic and adjust its programme to the time available. Certain non-priority items had been included, while other items, including items relating to crimes against humanity, had not been included. His delegation, and other African delegations, attached very great importance to the International Criminal Tribunal for the Prosecution of Persons Responsible for Genocide and Other Serious Violations of International Humanitarian Law Committed in the Territory of Rwanda and Rwandan Citizens Responsible for Genocide and Other Such Violations Committed in the Territory of Neighbouring States between 1 January and 31 December 1994, which must be accorded the highest priority. His delegation believed that reform was an ongoing process and should be given priority over all other issues. The Committee should also concentrate on issues related to peacekeeping.

17. **Mr. Sial** (Pakistan) said that his delegation fully supported the statement made on behalf of the Group of 77 and China. It was regrettable that the Committee was once again facing the chronic problem of the late submission of documents and still awaiting comments by the Advisory Committee on several reports. It was important that all documents should be issued in accordance with the six week rule and in compliance with the provisions of General Assembly resolution 52/214 B and General Assembly decision 52/471. The focal point in the Department of General Assembly Affairs and Conference Services should ensure full implementation of paragraphs 24 and 25 of General Assembly resolution 52/214 B. The Secretariat should explain the reasons for the delay in the submission of reports.

18. The Committee must devote sufficient time to the issues mentioned by the representative of Indonesia on behalf of the Group of 77 and China. His delegation shared the concern about the poor quality of some reports submitted to the Committee.

19. **Ms. Buergo Rodriguez** (Cuba) said that her delegation fully associated itself with the statement made on behalf of the Group of 77 and China. It deeply regretted the delays in the submission of reports and the poor quality of some reports, which had an adverse effect on the Committee's work. It was also concerned that some reports which had not been requested by the General Assembly had been submitted, while reports which had been requested had been submitted late. Her delegation fully supported the priorities identified by the representative of Indonesia on behalf of the Group of 77 and China. There was an urgent need for the Committee to consider the issue of savings made in the financing of UNCTAD before the end of the fifty-second session, so that the General Assembly could make use of those savings.

20. **Ms. Emerson** (Portugal) asked when the report of the Office of Internal Oversight Services regarding the financing of the United Nations Observer Mission in Angola would be available.

21. **Mr. Watanabe** (Japan) said that the Committee's meetings should begin punctually. If every meeting started 20 minutes late, as had the current one, the Committee would waste hours of valuable time over the next three weeks. He shared the views expressed by the representative of Indonesia, on behalf of the Group of 77 and China, concerning the Committee's priorities for the current part of the resumed session.

22. **Mr. Saha** (India) said that he shared the views expressed on behalf of the Group of 77 and China, as well as the concerns regarding the lateness or superficiality of some of the reports. He asked the Secretariat to provide details on the difficulties it had faced in preparing the documentation. If those difficulties were due to fundamental problems, Member States should be so informed so that they could take pragmatic steps to address the situation.

23. **Mr. Armitage** (Australia) said that the absence of some key reports pointed to deep-rooted problems with the scheduling of documentation. Since that issue had a direct bearing on the Committee's effectiveness, unlike some of the other issues to be addressed in the review of the Fifth Committee's working methods, it should be given priority in the discussions. He asked when the report on results-based budgeting would be ready and when it would be taken up. He agreed that peacekeeping operations, gratis personnel and the reports on United Nations reform which the General Assembly had referred to the Committee should be given priority. However, he did not agree that the General Assembly was obligated to determine whether the agenda items it allocated to the Main Committees would fit into their programmes of work; rather, the Committees must make the necessary adjustments to accommodate such items.

24. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee was making every effort to ensure that its reports on peacekeeping operations, the support account and gratis personnel would be issued shortly. He shared the views expressed with regard to the quality of some of the reports submitted by the Secretariat, and noted that the Advisory Committee had had to ask the Secretariat to clarify issues which had not been adequately covered in those reports. Such problems would probably continue until the top management of the Secretariat took a hard look at their causes. The Advisory Committee had made extensive comments on the problem in its general report on peacekeeping operations.

25. He recommended that the Fifth Committee should request the General Assembly to defer to its fifty-third session the consideration of the report on the Guidelines for Internal Control Standards (A/52/867), so that the report could be taken up together with the reports of the Board of Auditors. That would also enable the Advisory Committee to conduct a thorough review of the report, and particularly of the proposal that article X of the Financial Regulations should be amended. That proposal should not be taken lightly; the Advisory Committee must be given time to study all of its implications and to discuss the fundamental issues involved with the Secretariat and the Board of Auditors.

26. **Mr. Halbwachs** (Controller) said that the report on savings resulting from the improved cost-effectiveness of UNCTAD had not yet been submitted because the Working Party of the Trade and Development Board had not finished reviewing it until 8 May. The report would be processed as quickly as possible after it was received. The report on results-based budgeting should be available by 22 May. The report of the Office of Internal Oversight Services (OIOS) on the United Nations Angola Verification Mission would be available on 14 May, as indicated in document A/C.5/52/L.34 under agenda item 123. With respect to the overall question of documentation, only about 10 of the documents for the current session were not yet available, whereas 114 had already been issued. The problem was one of capacity.

27. **Ms. Fahmy** (Egypt) supported the views expressed on behalf of the Group of 77 and China with regard to the Secretary-General's report on the United Nations Conference on Trade and Development (UNCTAD), which had been requested in General Assembly resolution 52/220. When the report was finally issued, the Secretariat in New York and the Secretary-General should put forward recommendations based on the views of the Trade and Development Board, and ACABQ should submit its comments on the report.

28. She expressed her delegation's disagreement with the Secretariat's suggestion that consideration of the report by the General Assembly should be postponed until the fifty-third session, especially since the relevant General Assembly resolutions requested that the savings achieved by UNCTAD should be utilized during the biennium 1998-1999.

29. The solution proposed by the representative of Indonesia was the only solution acceptable to her delegation, namely, that the report should be considered during either

the current part or the third part of the resumed fifty-second session.

30. **Mr. Sulaiman** (Syrian Arab Republic) pointed out that the Controller had failed to reply to the point he had raised about item 122 concerning United Nations peacekeeping forces in the Middle East. The mere mention of a date on a document did not mean that the Secretariat had actually expedited its issuance. He was very concerned that the documents under item 122 had been issued late; they should have been made available at least one month earlier. He asked the Controller to clarify the reasons for the continuing delay in issuing the documents, even though the second part of the resumed session had begun.

31. **The Chairman** suggested, with respect to the three new reports allocated to the Fifth Committee under General Assembly decision 52/477, that the Committee should consider the note on the utilization of the Development Account (A/52/848) under agenda item 116 (Programme budget for the biennium 1998-1999), and the documents on a revolving credit fund (A/52/822) and the implementation of pilot projects (A/52/852) under agenda item 114 (Review of the efficiency of the administrative and financial functioning of the United Nations).

32. *It was so decided.*

33. **The Chairman**, replying to the representative of the Syrian Arab Republic, said that the Advisory Committee's reports on the financing of the United Nations peacekeeping forces in the Middle East would be available on 13 May. He agreed with the Egyptian representative that the Secretary-General's proposals on the savings achieved by UNCTAD should be considered at the current session, and suggested that the Committee should decide to request the Secretariat to submit those proposals as soon as possible so that the Committee could consider them during the third part of the resumed fifty-second session.

34. *It was so decided.*

35. **The Chairman** reiterated, on the Committee's behalf, that the Secretariat, in preparing reports, should adhere to the provisions of General Assembly resolution 52/214 B and General Assembly decision 52/471. With respect to the references to reports that were of poor quality, he asked delegations to specify which reports they meant so that the Secretariat offices concerned could take corrective action. With respect to the overall issue of late documentation, the Committee must be realistic in requesting reports and setting time-frames for their submission. The six-week rule could not always be observed, given the short space of time that elapsed between parts of the resumed session. Those issues would be addressed during the Committee's review of its working methods.

36. **Mr. Farid** (Saudi Arabia) said he agreed that the Committee should not consider the Guidelines for Internal Control Standards until the Advisory Committee had thoroughly reviewed the report on the subject (A/52/867). His delegation had not yet received the new procurement manual, which was to have been issued by 30 April 1998. Moreover, his delegation had twice asked for specific information, which the Secretariat had twice failed to provide: first, the number and names of staff members who had been transferred from the regular budget to the support account and back again, and what grades they occupied after having been transferred back to the regular budget; and second, how many of the total number of posts to be eliminated related to developing countries.

37. **Mr. Sulaiman** (Syrian Arab Republic) expressed his delegation's sympathy with regard to the volume of work being performed by the Secretariat and pointed out that his question concerned the reasons for the delay in issuing the reports of ACABQ on the United Nations Disengagement Observer Force and the United Nations Interim Force in Lebanon, even though those reports had been ready for about one month and the Advisory Committee had concluded its consideration of them. It had simply been a question of translation of the documents. In the light of what the Secretariat had said concerning the delay in issuing the documents until 13 May, he would like the representative of the Secretariat to indicate the reasons for that additional delay.

38. **Mr. Mirmohammad** (Islamic Republic of Iran) pointed out that, of the 114 documents already issued, many had been prepared not for the current part of the resumed session, but for the main part of the fifty-second session. Moreover, some of the documents which had not yet been issued had been requested the previous year or even earlier.

39. **The Chairman** drew attention to the Committee's proposed programme of work for the current part of the resumed session, which had been circulated as an informal paper. In connection with agenda item 137, on the financing of the International Criminal Tribunal for Rwanda, the Bureau was of the view that, since the current part of the session would be devoted mainly to issues relating to peacekeeping operations, sufficient time might not be devoted to that important item and the Committee might therefore wish to postpone consideration of the item to the fifty-third session of the General Assembly.

40. **Mr. Hanson** (Canada), speaking as coordinator of the informal consultations on agenda item 137, said that some

delegations had expressed concern about informal consultations in which persons who had appeared before the Committee had effectively used the informal meeting as a forum to argue for and against the findings of OIOS. Another concern was that some of the documents which had been made available in the informal meeting contained information that could be embarrassing to identified individuals. In his opinion, if there was to be a debate during informal consultations, only Member States should be parties thereto.

41. It might be useful for a representative of the Secretary-General to participate in the informal meetings in order to be able to respond to the proposals of OIOS. He noted that an earlier draft of the programme of work had allowed one hour for informal consultations on the item. One hour was not sufficient, even though he agreed that priority should be given to the budgets of the peacekeeping operations and to other time-bound matters. It might therefore be appropriate to defer informal consultations on the item to a later date.

42. **Mr. Moktefi** (Algeria) said that the exchange between the representatives of OIOS and of the International Tribunal had been very useful and it was appropriate that members should hear both sides before taking a decision on the matter. While it valued the work of OIOS, his delegation did not believe that the Office could represent an organ which was involved in the prosecution of people; OIOS was an oversight body and must carry out its mandate within certain limits. The General Assembly at its fifty-third session should therefore take steps to delineate those limits clearly.

43. **Mr. Odaga-Jalomayo** (Uganda) said that representatives had heard conflicting views during the informal consultations and it was difficult for them to know whom to believe. Issues related to crimes against humanity deserved the highest priority and he shared the concern of the representative of Canada that the one hour which had been allocated for consideration of the item on the International Criminal Tribunal for Rwanda was insufficient. As a matter of principle, however, the current part of the resumed session was devoted to peacekeeping operations and related issues. Those matters should therefore be the focus and his delegation would be reluctant to consider any other matters during the current part of the session.

44. **The Chairman** said that, in light of the views which had been expressed, he would request the coordinator to hold informal consultations on agenda item 137 on 15 May.

45. *It was so decided.*

46. **Ms. Buergo Rodriguez** (Cuba) reiterated her delegation's earlier question concerning the report requested by the Assembly on savings for the 1996-1997 biennium. She hoped that the Controller would provide information on the matter before the conclusion of the meeting. Since the Controller had stated that the problems of documentation were due to the Secretariat's limited capacity, the General Assembly must increase resources in that area to ensure the timely issuance of documents. The problem of the quality of documents also needed to be addressed, since many reports were requested because previous reports needed clarification.

47. **Mr. Halbwachs** (Controller) said that, except for a report on the United Nations Conference on Trade and Development, information on which was expected shortly, he was unaware of any other requests for reports on savings realized during the biennium 1996-1997.

48. **Ms. Powles** (New Zealand) noted that only a few hours had been allocated for consideration of item 153 on the proposed code of conduct. In view of the General Assembly's request that consideration of that item should be expedited, she wondered whether it might be possible to bring forward the consideration of the item to the first week of the current part of the resumed session, given the Committee's relatively light workload during that period.

49. **The Chairman** recalled that the International Civil Service Commission was due to complete its consideration of the proposed code by 15 May. The Bureau would keep the matter under review to determine whether it might be possible to bring forward its consideration. If he heard no objection, he would take it that the Committee approved the proposed programme of work, as orally revised, on the understanding that adjustments would be made as necessary.

50. *It was so decided.*

Agenda item 114: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/52/867)

51. **Mr. Connor** (Under-Secretary-General for Management), introducing the report of the Secretary-General on the Guidelines for Internal Control Standards (A/52/867), said that the United Nations had a well-developed system of internal controls, which were documented in the Secretary-General's bulletins, administrative instructions and management and personnel directives and in numerous procedures manuals. The streamlining and strengthening of the Organization's internal control structures were an important part of the Secretary-General's reform. Indeed, the Organization's efforts to improve management control and enhance accountability

must be geared to the recognized best practices in internal controls management.

52. The Guidelines for Internal Control Standards provided the internationally recognized compendium of such best practices by capturing in broad terms internal control concepts, objectives and structures. The Guidelines set out definitions and limitations of internal controls, reviewed fundamental standards and provided recommendations for monitoring internal controls. Their acceptance by the United Nations would signify the Organization's formal compliance with internationally approved standards of internal controls and would permit the efficiency of its internal controls to be checked against those standards in the course of ongoing reform. Both the Board of Auditors and the Office of Internal Oversight Services concurred with that view.

53. The Secretary-General had therefore decided to adopt the Guidelines as a general substantive standard to which the Secretariat's internal control procedures should conform and to take appropriate measures to bring existing internal controls into line with that standard. He believed that it would be appropriate to reflect the formal acceptance of the Guidelines in the Financial Regulations of the United Nations and proposed that the General Assembly should adopt the amendment to article X of the Financial Regulations, which was spelled out in paragraph 11 of the report.

54. It should be noted that the Guidelines provided minimal acceptable standards of internal controls. The United Nations funds and programmes, the programmatic and operational activities of which comprised a considerable share of their mandate, were at liberty to adopt a more extensive and specific system of internal controls suitable to those areas. The standards of the Guidelines would remain the core of any such system.

55. **Mr. Kamal** (Pakistan) said that the report of the Secretary-General included a number of useful elements for streamlining and strengthening the Organization's system of internal controls, particularly in view of the current financial crisis. At the same time, the contents of the annex to the report should be carefully examined to ensure that its provisions were in conformity with the regulations and rules of the United Nations.

56. While the Guidelines might be appropriate for national Governments, the United Nations had a detailed and elaborate structure of internal controls in which the existing oversight bodies played a significant role. Under current arrangements, the internal and external controls complemented rather than duplicated each other's work. The contents of paragraph 85 of the annex to the report therefore needed further clarification.

57. The provision in paragraph 81 for audit by private commercial auditors could not and should not be applicable to the United Nations. He wished to recall, in that connection, the observations of ACABQ that the audit functions of the Organization should be performed by the competent bodies authorized by the General Assembly (A/52/7, paras. 98-106).

58. His delegation had noted the reference in paragraph 84 of the annex to the report to the lack of independence and weakness or non-existence of internal audit units; in such a situation, the report foresaw the secondment or lending of staff to strengthen the Organization's internal audit function. He pointed out that such a practice might compromise the operational independence of the existing internal oversight mechanism.

59. The proposal to amend the Financial Regulations of the United Nations should be examined by the Advisory Committee before it was acted upon by the Fifth Committee. Since the proposal envisaged changes to the audit function in the Organization, the Board of Auditors should also be required to comment on the proposal.

60. **Mr. Moktefi** (Algeria) noted that a report of the Secretary-General which had not been requested by the General Assembly was being considered at the first meeting of the second part of the resumed session. While the need to enhance the Organization's efficiency was generally accepted, his delegation would have difficulty in adopting the Guidelines without an in-depth study of its provisions, a number of which needed further clarification, including those contained in paragraphs 70, 81 and 85 of the annex to the report. Any proposal to amend the Financial Regulations should first be reviewed by the Advisory Committee before it could be endorsed by the Fifth Committee. At the current stage, his delegation could agree only to a decision to begin informal consultations on the report.

61. **Ms. Buergo Rodriguez** (Cuba) acknowledged the importance of improving oversight procedures, especially in view of the Organization's current financial difficulties. The proposals contained in the Secretary-General's report, however, particularly those related to the participation of private commercial auditors, were inappropriate. Her delegation therefore believed that the report should be submitted to the Advisory Committee for review, especially in view of the proposed changes to the Financial Regulations of the United Nations.

62. **Mr. Thorne** (United Kingdom), speaking on behalf of the European Union, said it was his understanding that both the Board of Auditors and OIOS had agreed with the recommendations of the Secretary-General as contained in the report. However, if some delegations still had concerns, the matter should certainly be discussed further.

63. **Mr. Gjesdal** (Norway) said that his delegation supported in principle the decision of the Secretary-General to adopt the Guidelines as a general standard for internal controls. The Guidelines applied to four levels of activity, not only to the traditional areas of administration and finance, but also to management, covering policy and planning, and to programme activities relating to the mission of an organization. Internal controls were also to be regarded as a management tool, which his delegation viewed as a very important approach. The Guidelines provided a minimum acceptable standard of internal controls, and United Nations funds and programmes should be encouraged to develop further their own systems of internal controls on that basis. His delegation had an open mind concerning changes to the Financial Regulations.

64. **Mr. Repasch** (United States of America) pointed out that virtually every State Member of the United Nations was also a member of the International Organization of Supreme Audit Institutions (INTOSAI) and as such had endorsed the Guidelines for use in national Governments. His delegation agreed that ACABQ should review the report, but hoped that its comments could be received before the end of the current part of the resumed session. He also asked for clarification as to whether the Board of Auditors had endorsed the recommendations in the report.

65. **Mr. Saha** (India), referring to the proposed amendment to article X of the Financial Regulations, said he understood that the internal control systems and procedures would remain unchanged, but that any changes brought about by the Guidelines would be submitted to the Committee for approval.

66. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that there were established procedures for discussing such reports. He had said earlier that ACABQ would take up the item in connection with the larger issues contained in the report of the Board of Auditors at the fifty-third session of the General Assembly. At that time, the Advisory Committee would exchange views with the Board of Auditors and the Secretariat. Furthermore, ACABQ was required to review the proposed amendment to article X of the Financial Regulations. In his view, normal procedures should be followed to allow the Committee and ACABQ to perform their function of advising the General Assembly.

67. **Mr. Connor** (Under-Secretary-General for Management) said that the Board of Auditors and OIOS had strongly recommended the adoption of the standards mentioned in the report. He had, however, no objection to a review by ACABQ.

68. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation was not prepared to take action on the item, as several issues needed clarification, particularly the amendment to the Financial Regulations. He wondered why ACABQ had decided not to review the report, and why the comments of the Board of Auditors and OIOS had not been included in the report. While it was true that many Member States did belong to INTOSAI, certain issues still required discussion. He agreed that consideration of the item should be deferred to allow established procedures to be followed.

69. **Mr. Moktefi** (Algeria) said that the views of OIOS and the Board of Auditors would be useful, along with those of ACABQ. Consideration of the item should thus be deferred.

70. **Mr. Ekoponga Ndong** (Cameroon) said that the change in the Financial Regulations appeared to be presented as a fait accompli. His delegation, however, was not prepared to take action without first hearing the views of ACABQ and without adequate time to consider the proposed change. He therefore supported the proposal to defer consideration.

71. **Mr. Ivanov** (Bulgaria) said that his delegation supported the statement made by the United Kingdom on behalf of the European Union and welcomed the recommendations contained in the report. It also welcomed the attention being given to the internationally accepted standards for internal controls, which were based on common sense. He urged ACABQ to consider the report at its earliest convenience.

72. **The Chairman** said that further consideration of the item would be deferred.

73. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) said that the Advisory Committee had informed the Secretariat not that it did not wish to take up the report, but that it would be more appropriate to do so in conjunction with the consideration of the report of the Board of Auditors at the fifty-third session. The Board was made up of individuals who might not be fully aware of United Nations procedures, and national practices must sometimes be tailored to the needs of the Organization. The Advisory Committee's review of the report would ensure that the adoption of the

new Guidelines would have no adverse effects on the Organization.

Agenda item 116: Programme budget for the biennium 1998-1999 (*continued*) (A/52/758, A/52/848, A/52/894, A/52/7/Add.10)

74. **The Chairman** said that members would recall that the General Assembly, on the recommendation of the Committee, had decided to defer consideration of the report of the Secretary-General on the reduction and refocusing of non-programme costs (A/52/758), together with the related report of the Advisory Committee (A/52/7/Add.10), pending the submission of a detailed report of the Secretary-General on the sustainability of the Development Account and the performance criteria for the use of resources to the Committee at the second part of its resumed session.

75. **Mr. Connor** (Under-Secretary-General for Management) introduced the note by the Secretary-General on the utilization of the Development Account (A/52/848), which was part of the continuing discussion on the creation of a dividend for development. Sustainability of the Development Account was critical to its success. As indicated in paragraph 4 of the note, efforts to improve productivity would produce gains, and once those gains had been identified and achieved, approval would be sought to transfer the associated resources into the Account under section 34 of the programme budget (Development Account). Once the funds transferred into that account reached a level of $200 million, the Account would become a permanent feature of the budget. The Under-Secretary-General for Economic and Social Affairs would be the Programme Manager for the Account. In conclusion, he stressed that it was important to continue to increase productivity so that the Development Account could grow.

76. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions), introducing the report of the Advisory Committee on the utilization of the Development Account (A/52/894), said that the Development Account would comprise resources transferred to it as a result of efficiency measures, an exercise which did not in any way constitute a reduction of the regular budget. Resources for transfer to the Account must be identified clearly in performance reports on the budgets. Balances resulting from the effects of inflation and currency fluctuation were not available for transfer to the Account. Efficiency measures must be implemented throughout the Secretariat and should not be confined to central support services such as the Department of Management. The balance of the appropriation under section 34 would be transferred to the special development account to be available for future bienniums.

77. In paragraph 4 of the report, the Secretary-General attempted to describe the procedure for the transfer of resources to the Development Account. However, the Advisory Committee did not support the statement that prospective productivity gains anticipated in the forthcoming biennium would be transferred to the Account. It regarded that view as a contradiction of the statement in the same paragraph that once productivity gains had been identified and achieved, approval by the General Assembly would be sought for the transfer of the associated resources into the Development Account. The Advisory Committee stressed that it was neither possible nor advisable to transfer prospective productivity gains. It should also be borne in mind that, in recent years, Member States had forced the Secretariat to absorb the cost of additional mandates within so-called "available resources". The level of resources for transfer to the Account must therefore be based on the results of budget implementation. As emphasized by ACABQ in paragraph 6 of its report, the actual results of efficiency initiatives should be indicated to the satisfaction of the General Assembly before the related savings could be approved for redeployment.

78. The time-frame for funding the Account was still to be clarified. In paragraph 4 of his report, the Secretary-General stated that, over time, additional funds would be transferred from productivity gains until the Account reached a level of $200 million, but the meaning of "over time" was unclear. If the Secretariat still insisted on realizing $200 million by the biennium 2002-2003, then it was the view of ACABQ that the time-frame was overambitious. It was yet to be demonstrated that $200 million could be transferred to the Account in that time-frame without any affect on programme delivery.

The meeting rose at 1 p.m.

United Nations A/C.5/52/SR.61

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Chairman: Mr. Chowdhury ..... (Bangladesh)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 114: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

Agenda item 116: Programme budget for the biennium 1998-1999 (*continued*)

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98-80616 (E)

The meeting was called to order at 10.15 a.m.

Agenda item 114: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/52/821)

1. **Mr. Paschke** (Under-Secretary-General for Internal Oversight Services), introducing the report of the Office of Internal Oversight Services (OIOS) on the audit of the Second United Nations Conference on Human Settlements (Habitat II) (A/52/821), said that OIOS had conducted the audit from September 1996 to March 1997 with the objectives of assessing the adequacy of the financial controls over the Conference and the effectiveness of the Habitat II secretariat in its preparation.

2. The audit found that, while the Conference had been widely acknowledged as an important and successful political event, it had also been marked by serious financial management problems. A breakdown of internal controls had resulted in inadequate financial accountability and had left the United Nations Centre for Human Settlements (UNCHS) with an uncovered deficit estimated at $2 million.

3. As examples of problems identified by the auditors, the Habitat II secretariat had resorted to extensive hiring of consultants, at a total cost of $2.5 million, without the benefit of competitive bidding and, in some cases, with little value received in return. The Secretary-General of Habitat II had travelled more than 80 per cent of his time, incurring travel costs of $370,000, while the Deputy Secretary-General had spent more than 50 per cent of his time in travel status, incurring costs of approximately $210,000. A cost plan for use of the $8.2 million in voluntary contributions had never been submitted and, as a result, no allotments had been issued for the use of those funds; that had delayed the preparation of financial statements. Conference expenditures had been shifted to, and borrowed from, other funds to compensate for the shortfall in voluntary contributions.

4. In order to address the situation and prevent similar problems in the future, OIOS recommended, *inter alia*, that UNCHS should recalculate the income, expenditures and deficit of the Conference and make additional efforts to realize outstanding pledges; seek a decision from the legislative bodies on how to cover the remaining deficit; and take appropriate measures to improve internal controls and financial management for future conferences.

5. While not wishing to de-emphasize the seriousness of the financial and managerial problems, OIOS felt compelled to point out that pledged contributions to the Conference had not been realized as expected and that funding from the regular budget had been limited. Criticism of the Habitat II secretariat must therefore be tempered with the understanding that the mounting of a successful international conference on the scale of Habitat II required an appropriate level of financial resources. OIOS also took note of the corrective action taken by the management of UNCHS and commended it for its decision to establish an Audit Committee to monitor the implementation of the recommendations of OIOS and the Board of Auditors.

6. **Mr. Moktefi** (Algeria) said that the report showed how a lack of internal controls could have an impact on the financial situation of an organization. A review of the requirements for recruitment of consultants was needed in order to avoid a repetition of the situation described in the report. The report also underscored the important role of the Department of Management in the monitoring of internal financial systems. His delegation would welcome further informal consultations on the report in order to extract the lessons to be learned from the experience of the Habitat II Conference.

7. **Mr. Yamagiwa** (Japan) said that his delegation fully supported the recommendations of OIOS contained in paragraph 57 of the report. The report revealed mismanagement of the Habitat II Conference with respect to both finances and personnel, and his delegation wondered where managerial responsibility was to be assigned and what remedial or disciplinary measures needed to be taken.

8. It appeared, from paragraphs 13 to 16 of the report, that United Nations rules restricting the hiring of retired United Nations staff members had been circumvented, if not directly violated. There also seemed to be problems with respect to the appointment and service of the Deputy Secretary-General of the Conference: although it was not his delegation's intention to engage in micro-management, it would like to be informed of the criteria for approval of annual leave coinciding with official travel. It also requested clarification of the official travel of the Deputy Secretary-General after the expiration of his contract.

9. It was difficult to take corrective action after the fact, but he asked the Secretariat to inform the Committee whether any measures had been taken when the problems surrounding the Habitat II Conference had arisen, and what might be done in the light of the observations contained in the report of OIOS.

10. **Mr. Repasch** (United States of America) said that, while his delegation had not been surprised at the findings of OIOS, it remained outraged at the mismanagement which had occurred and supported the statement made by the representative of Japan. With regard to management

responsibility, his delegation would like to know who had been responsible for authorizing the travel of the Secretary-General and Deputy Secretary-General of the Conference. In conclusion, he requested Habitat to implement fully the recommendations of OIOS.

11. **Ms. Buergo Rodriguez** (Cuba) said that, in view of the importance of the issues raised in the report, informal consultations should be held before any decision was taken on the matter.

12. *It was so decided.*

Agenda item 116: Programme budget for the biennium 1998-1999 (*continued*) (A/52/7/Add.10, A/52/758, A/52/848, A/52/894)

13. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, welcomed the establishment of the Development Account and said that the issue of its utilization was of great importance. The Secretary-General's aim of creating a "dividend for development" merited favourable consideration.

14. However, the Group of 77 and China deeply deplored the quality of the note by the Secretary-General (A/52/848), which was superficial and lacking in clarity and did not meet the requirements of General Assembly resolution 52/12 B and General Assembly decision 52/464. Furthermore, there were factual errors, for instance in paragraph 7 regarding the level of available resources for the Development Account; in resolution 52/221, the General Assembly had appropriated $13,065 million under section 34 of the regular budget.

15. It was difficult to understand the sustainability of the Development Account on the basis of the rationale given in paragraph 4 of the note. It was unclear how the Account would become sustainable through the budget appropriation process once it reached the level of $200 million. He also wondered how the Account would be replenished after the year 2003. The Committee should be kept informed of the means to achieve reductions in administrative overhead costs, as well as areas where proposed savings were to be achieved. The Secretary-General should provide justification for his conclusion that non-programme costs constituted 38 per cent of the regular budget and should inform the Committee how he intended to reduce that figure to 25 per cent and what the effects of such proposed reductions would be on programme delivery. The Committee should also be informed of the impact of the proposed savings on the level of posts, taking into account the comments of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) in paragraphs 8 and 9 of its report (A/52/7/Add.10).

16. The Group of 77 and China had a great interest in the early utilization of the Development Account and felt that there was a need for a thorough discussion of the modalities. The programme objectives for its utilization should be concrete and precise. Section III of the Secretary-General's note, however, simply indicated that the Account would be utilized to assist the international community in understanding the emerging challenges and persistent problems of development. The programme objectives should include assisting developing countries in addressing the challenges of globalization by enhancing international cooperation in the financing of economic development, South-South cooperation, the eradication of poverty, technical cooperation and increased trade competitiveness for developing countries. Proposals for the utilization of the Account should be presented by the United Nations units working on development issues.

17. The proposed reduction in administrative costs should in no way affect the full implementation of mandated programmes and activities. Moreover, the transfer of resources associated with productivity gains was not a budget reduction exercise. It was important to implement the "dividend for development" concept without affecting legislative mandates and taking into consideration the sustainability of the Account beyond 2003.

18. The Group of 77 and China requested the Secretary-General to submit another detailed and comprehensive report, in accordance with resolution 52/12 B, before the third part of the resumed fifty-second session of the Fifth Committee.

19. **Ms. Buergo Rodriguez** (Cuba), speaking on a point of order, said that her delegation regretted that no representative of the Department of Economic and Social Affairs had been present during the statement made on behalf of the Group of 77 and China.

20. **The Chairman** said that he also regretted that no representative of the Department of Management had been present.

21. **Mr. Thorne** (United Kingdom), speaking on behalf of the European Union, reiterated the Union's support for the concept of the Development Account launched by the Secretary-General in his Track II reform proposals. Efficient did not necessarily mean cheap or substandard, nor did efficiency savings mean overall budget cuts. The resources freed through the implementation of efficiency measures would be transferred to the Development Account and used for development activities.

22. The essence of the concept required incentives to encourage programme managers to show initiative and flexibility in the search for innovative, imaginative, efficient and new ways of working so as to achieve the objectives of the Organization. The European Union did not, however, see how that could be reconciled with a priori approval by the General Assembly. It accepted the argument that the United Nations could not be treated as a private company, but it could not be immune from good management practices such as those currently being applied in many countries, both developed and developing. Thus, while it believed that each section of the programme budget should include an indication of prospective productivity gains anticipated in the forthcoming biennium, it should be clearly understood that the indication was not exhaustive nor did it impose restrictions on the freedom of programme managers to look for efficiency measures: that responsibility should remain within the purview of the Secretary-General.

23. By definition, efficiency measures adopted by the Secretariat should not affect mandated activities and must be sustainable over time. The European Union therefore agreed that the actual results of efficiency initiatives should be clearly indicated in the framework of the performance reports to the satisfaction of the General Assembly before additional savings could be transferred to the Development Account. It also agreed with the recommendation of ACABQ that any balance of appropriation should be transferred to a special account at the end of the biennium so as to ensure its availability in succeeding bienniums.

24. Finally, the European Union would welcome an indication of the purposes to which the Secretary-General intended to put the resources in the Development Account and of how reporting to Member States on those programmes would be carried out, and how programming, monitoring and evaluation would be handled.

25. **Mr. Blukis** (Latvia), **Mr. Jaremczuk** (Poland) and **Mr. Mihut** (Romania) said that their delegations associated themselves with the statement made by the United Kingdom on behalf of the European Union.

26. **Ms. Chen Yue** (China) said that her delegation supported the statement made by the representative of Indonesia on behalf of the Group of 77 and China. The overall concept of using the savings achieved from administrative costs for the Development Account was a good one, but measures to reduce such costs should not be carried out at the expense of the full implementation of mandated programmes and activities. Objective and realistic savings targets must be set. Her delegation fully shared the views expressed by ACABQ in paragraph 15 of its eleventh report (A/52/7/Add.10) and in paragraphs 3 and 4 of its report on the utilization of the Development Account (A/52/894).

27. Her delegation was concerned about the questions raised by ACABQ on the definition of non-programme costs and the methodology used to establish the ratio of such costs in the report of the Secretary-General. It believed that a more precise definition and a more practical methodology were needed. It also agreed with ACABQ in rejecting the assumption that public information activities were non-programme activities.

28. With regard to the sustainability of the Development Account, her delegation believed that the potential for productivity improvements through streamlining and simplification was limited, and agreed with ACABQ that the target of transferring $200 million to the Account by the end of the biennium 2002-2003 was overambitious. The main objective of the principles governing the utilization of the Account should be real assistance to development; there should be no undue emphasis on a schedule for results. Moreover, Member States, especially developing countries, should have a voice in project selection.

29. **Mr. Dvinyanin** (Russian Federation) said his delegation believed that the establishment of the Development Account was an inseparable part of the reform process and that the Committee must consider carefully every aspect of its future utilization.

30. Referring to the note by the Secretary-General (A/52/848), he asked for clarification as to how the target of $200 million had been determined and how that target would actually be achieved by the end of the biennium 2002-2003. No clear explanation had been provided about the criteria for separating programme and non-programme costs in the proposed reduction of administrative costs. There must be a clear understanding that any reallocation of resources to the Development Account should be made on the basis of a decision of the General Assembly. His delegation supported the Advisory Committee's comment in paragraph 7 of its report (A/52/894) regarding the Secretariat's ability to carry out all the tasks assigned to it in the current financial situation. It did not feel that the constant search for ways to achieve savings in administrative costs was an end in itself; such efforts should in no way affect the operations of the United Nations, including its development activities.

31. On the question of the future sustainability of the Development Account, it was unclear how the Account would become sustainable through the existing budget appropriation process. The search for potential savings had

its limits and priority must be accorded to the implementation of mandated programmes and activities. His delegation agreed with the Advisory Committee that proposals related to efficiency measures must be treated separately from information on changes related to currency fluctuation and inflation (A/52/894, para. 3). He reaffirmed the need for strict observance of the Financial Rules and Regulations, particularly with regard to the reimbursement of unexpended sums to Member States.

32. Although almost a quarter of the current biennium had already elapsed, there were still no practical proposals by the Secretary-General with regard to the utilization of the $13 million envisaged for the Development Account under section 34 of the programme budget for the current biennium.

33. He hoped that the Secretariat would provide all the information required so that the Committee could take a rapid decision on the question.

34. **Mr. Kabir** (Bangladesh) said that his delegation fully supported that statement made on behalf of the Group of 77 and China. It was disappointed at the way the entire issue had been treated in the note by the Secretary-General (A/52/848), and shared the Advisory Committee's view that the note did not fully meet the requirements of General Assembly resolution 52/12 B. Paragraphs 5 and 6 of the note merely duplicated the information provided in an earlier document (A/51/950/Add.5).

35. His delegation noted the Secretary-General's assurance in paragraph 4 of his note that reductions in administrative costs would be sought without reducing the ability of the Organization to deliver its mandated programmes. It could not, however, share the Secretary-General's optimism that the target of $200 million could be reached by the end of the biennium 2002-2003. His delegation was also concerned about the Secretary-General's suggestion that programmes and projects would not be implemented if no support from the Development Account was available; that might throw a project into disarray half way through its implementation.

36. With regard to the proposed objectives and directions, his delegation believed that, since the Account would be small in size, the projects funded from it were also likely to be modest in their objectives and size. The Account might end up supporting projects related more to seminars and consultancies that would bring little tangible benefit to the developing countries. While his delegation could support the proposal for the implementation of various global and regional programmes and platforms of action emanating from various global conferences, it proposed that the Account should focus on projects such as the transfer of technology to developing countries, with a priority focus on the needs of the least developed countries and the African countries, the establishment of a network to promote human development in those countries and to evaluate and analyse the impact of globalization, and the creation of a global fund to assist the poorer segment of the population within the context of national and regional priorities. The concept of microcredit could be considered in that context.

37. His delegation looked forward to receiving specific proposals for the implementation of projects under the Development Account. The Secretary-General's proposal was predicated on the assumption that all Member States would pay their assessed contributions on time, in full and without any conditions. His delegation asked how the Secretary-General would proceed in the event that assessed contributions were not paid, particularly by the major contributor.

38. **Ms. Buergo Rodriguez** (Cuba) said that her delegation supported the statement made by the representative of Indonesia on behalf of the Group of 77 and China. The report by the Secretary-General on the reduction and refocusing of non-programme costs (A/52/758) and the note by the Secretary-General on the utilization of the Development Account (A/52/848) did not accord with either the letter or the spirit of the relevant General Assembly resolutions and decisions. Her delegation was concerned about the poor quality of some documents submitted recently by the Secretariat. The emphasis on brevity was undermining quality. The documents lacked the necessary analysis and background information; that adversely affected the efficiency of deliberations and of the decision-making process and generated additional costs for the Organization arising from new requests for documents.

39. The note by the Secretary-General (A/52/848) had serious shortcomings; as noted by the Advisory Committee, it contained both contradictions and factual errors. She asked what was meant by the last sentence of paragraph 4 and, in particular, whether the Secretariat envisaged that programme budgets approved after the year 2003 would include new resources under section 34, and what the Secretariat's projections were on the number of posts that would need to be abolished to reach the projected figure. She also requested a detailed explanation of the objectives and orientation of the programme, and of the principles for the utilization of the Development Account and the criteria for evaluating its output. She wondered what was the scope of the principle set forth in paragraph 6 (a) and of the objective defined in paragraph 5 (b), and what was meant by the phrase "networking of experts". She asked whether the Secretariat envisaged a fundamental change in the nature of the

activities which were traditionally financed from the budget and whether it had considered how the resources under section 34 would be linked with the resources under section 21.

40. The General Assembly would not be able to take a position on the two documents (A/52/758 and A/52/848) until a substantive report was submitted in response to the prior decisions of the General Assembly and to the various views expressed during the debate in the plenary Assembly and in the Committee. The report should include a proposal on how the resources approved under section 34 of the programme budget for the current biennium would be utilized.

41. **Ms. Fahmy** (Egypt) said that she, too, regretted that the representative of the Secretary-General had not been present during the delivery of the statement on behalf of the Group of 77 and China, and requested that the views expressed in that statement should be transmitted to the Secretary-General.

42. Commenting on paragraph 5 (a) of the Secretary-General's note (A/52/848), on the promotion of development of developing countries through utilization of the Development Account, she said there was a need to include an explanation of what kind of assistance would be given to developing countries in facing the challenges of globalization.

43. With regard to paragraph 5 (b), she disagreed as to the need for better networking of experts so as to promote an enhanced appreciation of global economic and social issues. The mission of the United Nations was to participate in solving problems of development; the Development Account should not be used to finance the understanding of the international community.

44. Turning to part IV of the Secretary-General's note, on the principles governing utilization/performance criteria, she noted with concern from paragraph 6 (d) that the proposal, once implemented, should be required to generate other sources of finance. That condition was difficult to achieve, and should be looked into carefully. The proposal was not a matter for any United Nations development agency, since the issue was tied in with a reduction in official development assistance.

45. Accordingly, the Secretariat should heed the statement made on behalf of the Group of 77. The Secretary-General's next report must take into account the proposals put forward by development agencies in the United Nations system.

46. **Mr. Watanabe** (Japan) said that his delegation attached great importance to the rapid implementation of the Development Account and believed that the Committee should come to an early agreement on the projects for which the funds would be used during the current biennium and on the modalities for the Development Account in the future. He asked why the document containing the proposals for the utilization of the amount of $12.7 million, referred to in paragraph 7 of the Secretary-General's note (A/52/848), had not yet appeared.

47. It should be borne in mind that the basic purpose of the Account was to support activities connected with global and regional development efforts that would ordinarily be funded from the regular budget but had not been financed because of insufficient funds. For example, the funds in the Development Account could be used to gather the views of experts and organizations, both within and outside the United Nations, with a view to devising a new development strategy, or to conduct a study on the establishment of a data bank of technologies that might contribute to South-South cooperation or assist in enhancing the capacity of developing countries to engage in economic research and analysis. It might be useful in future to request the Secretary-General to propose projects as part of the programme budget and present them to the Economic and Social Council for comments before the final approval of the programme budget by the General Assembly.

48. With regard to the modalities for the implementation of the Development Account, his delegation believed that a certain level of savings should be appropriated to section 34 at the time of the adoption of the programme budget. Every programme manager should be allowed to use all the resources approved by the General Assembly for the implementation of mandated programmes and activities. The mechanism proposed by the Advisory Committee was not consistent with budgetary discipline and could lead to confusion. The best way to utilize the Development Account was for Member States to consider the proposed savings measures in the context of consideration of the proposed programme budget and agree in advance on a fixed, reasonable level of resources to be allocated for the Development Account, instead of just accepting the level of savings at the end of each biennium. His delegation was flexible as to the size of the Development Account, which should be determined by the Committee.

49. **Mr. Gjesdal** (Norway) said that the Development Account reflected the essential purpose of United Nations reforms, as it was to be funded from savings on administrative costs. However, efficiency measures must not affect the quality of the services provided. The Account should be used, in particular, to help developing countries follow up the commitments made at United Nations

conferences, while avoiding duplication. Wherever possible, existing mechanisms should be used for the application of the Account's resources.

50. Although his delegation strongly supported efforts to enable developing countries to take advantage of economic globalization, it would have appreciated it if the note by the Secretary-General (A/52/848) had indicated more specific objectives, guidelines and directions regarding the utilization of the Development Account, as well as further details on the type of savings to be achieved. Since the quest for a development dividend was not, in and of itself, a budget reduction exercise, he asked whether the Account was to be continued beyond the year 2003. If so, he wondered whether further savings on administrative costs were foreseen to fund that extension and whether assessed contributions would also play a role. He did not agree with the Advisory Committee that windfall gains resulting from exchange-rate fluctuations, unforeseen vacancies and other circumstances could not be shifted to the Development Account. However, in using funds of that nature, the Organization should give priority to the Secretary-General's special missions, for which insufficient amounts had been budgeted.

51. **Mr. Moktefi** (Algeria) said that he shared the views expressed on behalf of the Group of 77 and China, as well as some of the comments in the report of the Advisory Committee (A/52/894). His delegation had supported the establishment of the Development Account, and hoped that it would be put into operation as soon as possible. The note by the Secretary-General (A/52/848) did not respond in detail to the concerns expressed during the first part of the resumed fifty-second session, particularly in relation to the reduction and refocusing of non-programme costs. He hoped that the Secretariat would present convincing arguments to the Committee on the viability of the productivity gains to be used to fund the Development Account and of the practical modalities for implementing the proposal. The Account's funding should not be based on speculation or on questionable assumptions. The target level of $200 million by the year 2003 was insufficient to meet the objectives set for the Account, and no viable means of achieving such savings without affecting the implementation of mandates or reducing posts had yet been identified. The Secretariat should prepare a more detailed and practical report on the subject.

52. **Mr. Park** (Republic of Korea) said that his delegation had expressed its support for the Development Account on a number of occasions; however, it wondered whether the modalities for implementation set forth in the note of the Secretary-General (A/52/848) would ensure the successful funding of the account to a level of $200 million. His delegation shared the concerns of the Advisory Committee in that respect. First, the time frame needed for achieving the target should be specified with reliable data based on actual records from the previous biennium. In that connection, the Secretariat should present more conclusive statistics to substantiate its claim that administrative costs comprised 38 per cent of the programme budget, and that a one third reduction in administrative costs would yield accumulated savings of $200 million by the biennium 2002-2003. Second, in order to give momentum to the implementation of the Development Account, specific initiatives to utilize the fund should be followed up in a timely manner. Third, it was essential to sustain the original concept of the Development Account: namely, to utilize actual gains from efficiency initiatives for the Account. The real productivity gains should not be the result of a cost avoidance or postponement and the level and quality of services in existing mandates should not be compromised in an effort to reach the target level of the Development Account.

53. **Mr. Mirmohammad** (Islamic Republic of Iran) said he supported the statement made on behalf of the Group of 77 and China. Since the Development Account had become a regular budget section, it should be subject to the provisions of General Assembly resolution 41/213. Accordingly, the budget should include a programme narrative for that section which should reflect the views of Member States and should be discussed by the relevant legislative bodies, including the Committee for Programme and Coordination.

54. **Ms. Shearouse** (United States of America) said she agreed with the Advisory Committee that more detailed information was needed on the objectives of the Development Account and on the principles governing its utilization and performance criteria. Activities funded by the Account should have a short time-frame and should provide for clear performance indicators and evaluation criteria. She asked how the Account would relate to the existing regular programme of technical cooperation (budget section 21). She joined the representative of Japan in asking when the Secretary-General would make specific proposals on the use of the resources already appropriated under the current budget.

55. **Ms. Achouri** (Tunisia) said that she shared the views expressed on behalf of the Group of 77 and China. She deplored the poor quality of the note by the Secretary-General on the utilization of the Development Account (A/52/848). The document should have been in the form of a report instead of a note, as required by General Assembly resolution 52/12 B, and should have referred specifically to the reduction and refocusing of non-programme costs, since

that issue was obviously linked to the Development Account. Moreover, it should have reflected the concerns expressed by Member States during the first part of the resumed session, as well as the comments made by the Advisory Committee in its report (A/52/7/Add.10). The note had also failed to take the Organization's financial crisis into account. The Secretariat should take the wishes of the Member States and the crucial issue of reform more seriously, and should submit a new report on the Development Account.

56. **Mr. Ekorong A Ndong** (Cameroon) supported the statement made on behalf of the Group of 77 and China. The note by the Secretary-General was very superficial and revealed the difficulty of putting the new Development Account into operation. For example, it was economically unfeasible to proceed as though the estimated future savings to be used to fund the Development Account were already available. The one positive aspect of the note, however, was the indication that the Account would be used to finance projects that would show results within two bienniums. The inadequacy of the information provided made it difficult for his delegation to consider the utilization of the Development Account in depth at the current session.

57. **Mr. Hetesy** (Hungary) said he supported the statement made by the representative of the United Kingdom on behalf of the European Union. The establishment of a Development Account funded through cost-saving measures was a new concept and was therefore hard to implement. He hoped that the fundamental questions and concerns raised by Member States and by the Advisory Committee would help the Secretariat to prepare more specific proposals that would enable the Fifth Committee to hold a meaningful debate on the issue. Only if the Secretariat gave priority to that task could the Committee and the General Assembly reach an informed decision on the matter by the end of the year.

58. **Ms. Powles** (New Zealand), speaking on behalf also of the delegations of Canada and Australia, said that the three delegations had always supported the Secretariat in its efforts to streamline administrative procedures and reduce administrative costs and had fully endorsed the Secretary-General's proposal for a general reduction of such costs to a more reasonable level of 25 per cent of the total costs of the Organization. Until all Member States were willing to increase their annual financial contributions to the United Nations and pay their arrears, the Secretariat had no alternative but to live within its means in the most efficient way possible. Her delegation and those of Australia and Canada, agreed with the Advisory Committee that the primary focus should be on increasing the productivity of all activities undertaken by the Organization. However, there was also value in setting indicative forward targets as an incentive to programme managers to reduce the administrative costs of their programmes.

59. It was clear that if the Development Account was not sustained after 1998, it would not survive. The three delegations supported the Secretary-General's proposal to divert savings from administration into the Account, because they believed that there were many development needs which would usefully benefit from such funding. The Committee must concentrate on encouraging the Secretariat to formulate feasible ideas on how to sustain the Development Account in the future. It should be borne in mind that the concept underlying the proposal was a reallocation of resources, not a resource reduction. It was not desirable to return to the situation where the only way of reducing the administrative costs of the Organization was to reduce the overall level of the budget

60. **Mr. Herrera** (Mexico) said that, although the Development Account was a good idea, he would not like to see it funded at all costs, to the detriment of the Organization's programmes and finances. He agreed with the comments contained in paragraph 2 of the Advisory Committee's report (A/52/894); in particular, the programme objectives outlined in paragraph 5 of the note by the Secretary-General (A/52/848) must be made more precise and must be discussed in greater depth. He hoped that the proposals referred to in paragraph 7 of the note by the Secretary-General would be submitted shortly.

61. **Mr. Connor** (Under-Secretary-General for Management) said that the procurement manual requested by the representative of Saudi Arabia had been produced, but that delegations had not been advised of its availability until the previous day.

62. His Department's role with respect to the Development Account was to devise a methodology for putting it into operation, to target the expected results and to set a time-frame for their achievement. Accordingly, it had estimated that about 10 per cent of the Organization's resources would have been redeployed by the end of 2003. That was a manageable goal that would not affect the Organization's financial situation and would not require any change in the level of resources contributed by Member States.

63. Two issues were under discussion: first, the target level of the Development Account and the methodology by which its resource base would be guaranteed; and second, the refocusing of certain costs to support programme activities, which had no impact on the Development Account. The Secretary-General had always intended to seek the approval of the General Assembly at several stages of the redeployment exercise. Projects would be submitted in

conjunction with the biennial budgets and would be refined to reflect changes in resources when the two performance reports were submitted. The target level would change if the Organization's overall budget was increased or reduced; however the note by the Secretary-General (A/52/848) had been presented as a neutral estimate relative to inflation and exchange-rate fluctuations. The methodology described in the documents under consideration was modelled on the budget outlines considered by the Fifth Committee, which compared the Organization's level of real resources across two bienniums. The idea was to build the Development Account's resources up to the level of $200 million and to maintain them at that level, assuming that budget appropriations did not change. Thus, the projects funded by the Account would be ongoing.

64. The redeployment of resources to the Development Account would not involve any loss of posts, only new outputs. Accordingly, the note by the Secretary-General (A/52/848) contained no projections on staffing levels. The heart of the exercise was the redeployment, not the reduction, of resources. The report which some delegations had requested on the efficiencies to be achieved would be submitted for discussion in conjunction with the budget outline. It was perfectly possible to carry out all mandates in full while achieving efficiencies; in his Department alone, over 80 efficiency measures had been identified.

65. He agreed that the biennial budgets presented to programme managers should include only resources that they could spend. Lastly, since it appeared that Member States would not accept the idea that they should "contribute" $22 million by reducing their demands on the Secretariat (A/52/758, para. 43), that amount would no longer be considered part of the $200 million target.

66. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs) said that the note by the Secretary-General (A/52/848) had been very general and he wished to focus on a number of specific proposals that had been made for the utilization of the Development Account. Although relatively modest, the current appropriation of $13 million could be used to strengthen the capacity of developing countries to participate more effectively in global and regional processes. The United Nations Conference on Trade and Development (UNCTAD), for example, had put forward a proposal to develop the capacity of developing countries to participate in the new field of electronic commerce. The United Nations Environment Programme (UNEP) had proposed a project to facilitate access by developing countries to regional and global environmental databases. The Economic Commission for Africa had proposed a system of networking African research institutions to enable them to interact more effectively with each other and feed into the Commission's own work. The United Nations Centre for Human Settlements (Habitat), as a follow-up to its recent global conference (Habitat II), had proposed an exchange of experiences of best practices, which would include a strong South-South cooperation component.

67. All of those proposals, by strategically deploying the modest dividend for development thus far created, would contribute to the overall goal of promoting human development in the developing countries. He was still in discussion with the Executive Committee on Economic and Social Affairs with a view to fleshing out the proposals and he hoped that an official report would shortly be available. Should the proposals be approved by the General Assembly, he anticipated that results would be evident during the current biennium. He hoped, finally, that the General Assembly would allow for a measure of flexibility in the implementation of the proposals.

68. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation looked forward to the formal submission of the proposals just outlined by the Under-Secretary-General for Economic and Social Affairs. In the meantime, however, it would be useful to know what criteria had been used in the selection of the proposals. He would also welcome clarification of the term "best practices", as used by the Under-Secretary-General. Finally, given the modest amount which had thus far been appropriated for the Account, it would clearly be necessary to prioritize the various proposals that had been received.

69. **Mr. Humenny** (Ukraine) asked whether it was proposed to use any portion of the development dividend for projects to aid countries with economies in transition.

70. **Mr. Blukis** (Latvia) said that he, too, was interested in the reply to the question just asked by the representative of Ukraine. It would also be helpful to know what criteria had been used to select the various project proposals outlined by the Under-Secretary-General. He was puzzled as to how the various parts of the project fitted together and what performance indicators would be used to measure outcomes. Those elements needed to be addressed by the Secretary-General in future reports on the subject.

71. **Ms. Buergo Rodriguez** (Cuba) said that her delegation had taken note of the assurances that the transfer of resources associated with productivity gains into the Development Account would not result in any reduction of posts. Nevertheless, it had certain questions about the Account's sustainability, particularly after it attained the projected level of $200 million by the biennium 2002-2003. While it was claimed that the transfer of resources to the

Account was not a budget reduction exercise but one of redeployment, there were unanswered questions about where savings would be made, since the current level of resources was barely enough to cover already mandated programmes. Indeed, since staff costs accounted for more than 70 per cent of the regular budget, it was difficult to see how transfers to the Development Account would have no effect on the number of posts.

72. It was essential to be more specific about the proposals to be included under the budget section for the Development Account. Since developing countries were to be the main beneficiaries of the proposals, it was important that projects implemented should be truly capable of yielding practical results. It appeared, however, that projects were focused mainly on research and similar activities, which were not the real needs of developing countries. Her delegation looked forward to the formal submission of the Secretary-General's report on which the Committee would have to take a decision.

73. **Mr. Ivanov** (Bulgaria) said that his delegation wished to align itself with the statement made by the representative of the United Kingdom on behalf of the European Union. He noted that a large part of the productivity savings was projected to accrue from the Department of Public Information and wondered whether it might not be useful for the Committee to hear the views of the Under-Secretary-General for Communications and Public Information on the matter.

74. **Mr. Ekorong A Ndong** (Cameroon) wished to know how proposals for the utilization of the Development Account would take account of the decisions of the Habitat II Conference, how the various proposals would be prioritized and how the sustainability of the Account would be assured beyond the biennium 2002-2003.

75. **Mr. Hanson** (Canada) said that he, too, had questions about the sustainability of the Development Account. He noted that, according to paragraph 4 of the note by the Secretary-General (A/52/848), once the target level of transfer was attained, the Account would become sustainable through the existing budget appropriation process. It was not clear whether that constituted a guarantee of the Account's sustainability.

76. **Mr. Watanabe** (Japan) asked when the formal proposals for the utilization of the Account would be submitted to the General Assembly. The amount appropriated thus far was not enough for all the projects that had been mentioned and he wondered whether the dividend would be used as seed money to attract additional resources.

77. **Mr. Desai** (Under-Secretary-General for Economic and Social Affairs) said that the $12.7 million which had already been appropriated for the Development Account was very modest compared to the approximately $600 million which the United Nations budgeted for programmes in the economic and social sector. If the amount had been larger, the proposals and even the priorities for its use would have been quite different. Those proposals had come from the individual organizations that would carry out the projects, which had determined what supplementary activities would best enhance their own effectiveness and be truly beneficial for developing countries; the Executive Committee on Economic and Social Affairs had then discussed the proposals. The prioritization process had consisted of determining which possible ways of spending the funds in the Development Account would have the greatest synergistic effect and would fill the most acute gaps in the work already being done. The emphasis on the networking of experts reflected the need to focus the limited resources available on a few key areas; if more resources subsequently became available to the Development Account, new activities would be planned. For the moment, the only activities being proposed were ones that could be fully funded by the Development Account.

78. In reply to the Latvian representative, he said that performance criteria would apply to those activities, just as they applied to activities under other budget sections, including section 21. In reply to the representative of Cameroon, he said that the funding for the implementation of the Habitat Agenda was intended only as an additional input that would significantly improve the overall capacity to deliver programmes. It was important to recall that funding from the Development Account would not represent the sum total of the Organization's development expenditure, but only 2 to 3 per cent of regular-budget appropriations for development activities. Lastly, since the Development Account was part of the programme budget, the timetable for the submission of specific proposals would depend on the progress of consultations with the Department of Management.

79. **Mr. Connor** (Under-Secretary-General for Management) said that the steps outlined in paragraphs 49 to 52 of the report of the Secretary-General on the reduction and refocusing of non-programme costs (A/52/758) were intended to ensure the sustainability of the Development Account. The principal control mechanism was the stipulation that the Account would not be subject to exchange-rate fluctuations. However, if the Account was simply left as a potentiality, there was a danger that the Member States themselves might decide to divert the savings identified to some other purpose. He therefore encouraged Member States to appropriate those savings to fund the specific development projects proposed.

The meeting rose at 1.15 p.m.

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Summary record of the 62nd meeting
Held at Headquarters, New York, on Monday, 18 May 1998, at 10 a.m.

Chairman: Ms. Incera (Vice-Chairman) ..... (Costa Rica)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 142: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

(a) Financing of the United Nations peacekeeping operations

Agenda item 122: Financing of the United Nations peacekeeping forces in the Middle East

(a) United Nations Disengagement Observer Force

(b) United Nations Interim Force in Lebanon

Agenda item 123: Financing of the United Nations Angola Verification Mission

Agenda item 159: Financing of the United Nations Observer Mission in Angola (*continued*)

Agenda item 124: Financing of the activities arising from Security Council resolution 687 (1991)

(a) United Nations Iraq-Kuwait Observation Mission

Agenda item 125: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*)

Agenda item 126: Financing and liquidation of the United Nations Transitional Authority in Cambodia

Agenda item 127: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters

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98-80652 (E)

Agenda item 129: Financing of the United Nations Operation in Mozambique

Agenda item 130: Financing of the United Nations Peacekeeping Force in Cyprus

Agenda item 131: Financing of the United Nations Observer Mission in Georgia

Agenda item 136: Financing of the United Nations Mission of Observers in Tajikistan (*continued*)

Agenda item 138: Financing of the United Nations Mission in Bosnia and Herzegovina

Agenda item 139: Financing of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium

Agenda item 140: Financing of the United Nations Preventive Deployment Force

Agenda item 142: Administrative and budgetary aspects of the financing of the United Nations Peacekeeping operations

In the absence of Mr. Chowdhury (Bangladesh), Ms. Incera (Costa Rica), Vice-Chairman, took the Chair.

The meeting was called to order at 10.10 a.m.

Agenda item 142: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations

(a) Financing of the United Nations peacekeeping operations (A/52/860)

Agenda item 122: Financing of the United Nations peacekeeping forces in the Middle East

(a) **United Nations Disengagement Observer Force** (A/52/771 and Add.1 and Add.1/Corr.1 and Add.2, A/52/860/Add.5)

(b) **United Nations Interim Force in Lebanon** (A/52/804, A/52/806 and Add.1, A/52/860/Add.6)

Agenda item 123: Financing of the United Nations Angola Verification Mission

Agenda item 159: Financing of the United Nations Observer Mission in Angola (*continued*) (A/52/385/Add.1 and Corr.1, A/52/799/Add.1, A/52/860/Add.8 and A/52/881)

Agenda item 124: Financing of the activities arising from Security Council resolution 687 (1991)

(a) **United Nations Iraq-Kuwait Observation Mission** (A/51/658/Add.3, A/52/790 and Corr.1 and Add.1, A/52/824 and A/52/860/Add.7)

Agenda item 125: Financing of the United Nations Mission for the Referendum in Western Sahara (*continued*) (A/52/730/Add.1, A/52/730/Add.3 and A/52/860/Add.8)

Agenda item 126: Financing and liquidation of the United Nations Transitional Authority in Cambodia (A/49/714 and Add.1, A/49/867, A/49/943, A/51/777, A/52/819 and A/52/865)

Agenda item 127: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces Headquarters (A/52/792, A/52/815 and A/52/868)

Agenda item 129: Financing of the United Nations operation in Mozambique (A/49/649/Add.3; A/51/807, A/52/680 and Add.1 and A/52/853)

Agenda item 130: Financing of the United Nations Peacekeeping Force In Cyprus (A/52/775 and Add.1, A/52/860/Add.4 and A/52/886)

Agenda item 131: Financing of the United Nations Observer Mission In Georgia (A/52/770, A/52/787 and A/52/860/Add.2)

Agenda item 136: Financing of the United Nations Mission of Observers in Tajikistan (*continued*) (A/52/772 and Add.2 and A/52/860/Add.8)

Agenda item 138: Financing of the United Nations Mission in Bosnia and Herzegovina (A/52/708 and Corr.1, A/52/786 and A/52/860/Add.3)

Agenda item 139: Financing of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (A/52/722, A/52/801 and A/52/859)

Agenda item 140: Financing of the United Nations Preventive Deployment Force (A/52/768, A/52/805 and A/52/860/Add.1)

Agenda item 142: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations:

(a) **Financing of the United Nations peacekeeping operations**

1. **The Chairman** said that the Committee would begin its consideration of the proposed budgets for all peacekeeping operations for the period from 1 July 1998 to 30 June 1999 with a general introduction by the Controller of the reports for each individual operation.

2. **Mr. Halbwachs** (Controller) drew attention first to the report of the Secretary-General containing the financial performance report for the United Nations Disengagement Observer Force (UNDOF) (A/52/771) and the proposed budget for the operation for the coming year (A/52/771/Add.1). The variance between the $32,393,100 expenditure and the requested appropriation of $32,254,100 was 0.4 per cent, attributable mainly to the operation's prorated share of the cost of maintaining the United Nations Logistics Base at Brindisi. The proposed budget of $33,643,900 represented a 3.9 per cent increase, relating to replacement of vehicles and data-processing equipment and medical expenses. No staffing changes were envisaged, as indicated in paragraph 29 of A/52/771/Add.1. Paragraph 28 of A/52/771/Add.1 set out the provisions made to implement the recommendations of the Office of Internal Oversight Services and the Advisory Committee on Administrative and Budgetary Questions (ACABQ). A separate report would be

issued on the cost of support to UNDOF from the United Nations Truce Supervision Organization (UNTSO).

3. The performance report on the United Nations Interim Force in Lebanon (UNIFIL) contained in document A/52/804 showed a variance of $1 million. Of the additional requirements, $693,356 related to the incident at Qana, (paras. 10 and 11 of the report) while the balance of $382,244 represented the increase in local staff salaries and the UNIFIL share of the costs of the Brindisi Logistics Base. Action to be taken by the General Assembly was set out in paragraph 12. The proposed budget for the period from 1 July 1998 to 30 June 1999 was contained in document A/52/806. The total of $136.7 million represented an increase of 11.9 per cent, attributable to an increase in local staff salaries (annex II, para. 13), the addition of 52 posts and the replacement of vehicles and communications equipment. He also drew attention to paragraphs 22 and 23 of the report, which explained the provisions made for implementation of OIOS recommendations to improve aviation services.

4. Turning to the performance report for the United Nations Angola Verification Mission (UNAVEM) (A/52/385/Add.1), he said that actual expenditures for the period under review had amounted to $302.2 million, leaving an unencumbered balance of $3.5 million. That balance had resulted from the phased repatriation of observers, lower levels of civilian deployment and the move from rental housing to housing owned by the mission. Document A/52/799/Add.1 contained the proposed budget for the maintenance of the United Nations Observer Mission in Angola (MONUA) for the period from 1 July 1998 to 30 June 1999. Because of savings resulting from the withdrawal of military personnel, it would be possible to reduce the budget by $10.3 million. The Advisory Committee had requested that consideration of that operation should be postponed; accordingly, a bridging appropriation would be requested to cover the period from 1 July to 31 October 1998.

5. With regard to the United Nations Iraq-Kuwait Observation Mission (UNIKOM), the performance report contained in document A/52/790/Add.1 showed an unencumbered balance of $4.1 million, chiefly as a result of lower-than-estimated requirements under mission subsistence allowance for military observers and savings on transport costs. The proposed budget appropriation of $50.6 million, as detailed in document A/52/824, included a voluntary contribution by Kuwait covering two thirds of that amount. As for mission subsistence allowance, the report submitted pursuant to General Assembly resolution 51/234 (A/52/790) indicated that overpayment of $6.3 million had occurred and that $751,275 had been recovered as at 31 December 1997. An inquiry into the situation was still under way, but, in order to prevent a recurrence, revised and simplified guidelines for mission subsistence allowance and compensatory time had been issued.

6. The performance report for the United Nations Mission for the Referendum in Western Sahara (MINURSO) (A/52/730/Add.1) showed an unencumbered balance of $2.5 million, which it recommended (para. 8) should be credited to Member States. The proposed budget of $65,053,200 (A/52/730/Add.3) represented a 37 per cent increase. Staffing levels would remain unchanged, except for the repatriation of two demining platoons. The Secretariat intended to request a bridging appropriation for the period from 1 July to 31 October 1998 and would make a subsequent request for the full amount required.

7. Turning to the financing and liquidation of the United Nations Transitional Authority in Cambodia (UNTAC), he drew attention to the administrative and management evaluation conducted by ACABQ (A/52/865). The major constraint noted had been the shortage of experienced personnel. The report of the Secretary-General (A/52/819) provided updated information on the status of the UNTAC special account and additional financial requirements, attributable for the most part to outstanding claims from Governments. Actions taken by the General Assembly were set out in paragraph 16 of that report.

8. The performance report of the United Nations Peace Forces (UNPF) was contained in document A/52/815. The savings of $3.4 million were the result of three factors: first, the number of military contingents had been lower than the number budgeted; second, costs for air operations had been lower than expected (annex II, para. 48); and third, the requirements for environmental clean-up had been less than budgeted (annex II, para. 79). Details on the final disposition of assets were provided in document A/52/792. He drew attention to table 1 of that document and noted that 16 per cent of inventory would be written off outright, while 3 per cent would be written off to theft. The General Assembly would be requested to take note of the report.

9. The report of the Secretary-General on the United Nations Operation in Mozambique (ONUMOZ) (A/51/807) reflected a cumulative unencumbered balance of $19,052,400, consisting of credits not yet returned to Member States. Updates on the assets of ONUMOZ were contained in document A/52/680 and its addendum. The General Assembly would need to take decisions on the crediting of Member States with the cumulative unencumbered balance, the treatment of the cumulative

interest and income, and the treatment of any surplus arising from the liquidation of the remaining obligations in the special account.

10. The proposed budget for the United Nations Peacekeeping Force in Cyprus (UNFICYP), contained in document A/52/775/Add.1, included voluntary contributions from the Governments of Greece and Cyprus, in keeping with the ACABQ recommendation that all voluntary contributions should be reflected in the budget. The requested appropriation of $43,009,000 represented a decrease of 10.4 per cent, due to the abolition of 86 local posts pursuant to a mission-wide review of staff resources.

11. The performance report for the United Nations Observer Mission in Georgia (UNOMIG) (A/52/770) showed expenditures of $15,937,000 and an unencumbered balance of $1,152,600 resulting from military and civilian vacancies and the provision for the operating costs of a fixed-wing aircraft provided by the Government of Switzerland. The proposed budget of $20,743,400 (A/52/787) added 20 local staff posts and one D-2 department head, in addition to funds for vehicles, communications and data-processing equipment, for a 4 per cent increase over the budget for the previous period.

12. The financial performance report of the United Nations Mission of Observers in Tajikistan (UNMOT) (A/52/772) showed an unencumbered balance of $1,507,900, which had been due primarily to higher vacancy rates for military observers and international civilian staff and the limited use of helicopter services. The action to be taken by the General Assembly was a decision to credit Member States with their respective share of the unencumbered balance. The proposed budget for UNMOT (A/52/772/Add.2) amounted to $22,282,100. It provided for the maintenance of UNMOT, based on the expansion of its mandate, and reflected an overall increase of 34 per cent. Action to be taken by the General Assembly included the appropriation and assessment of $22,282,100 for the period from 1 July 1998 to 30 June 1999, subject to the extension of the mission's mandate by the Security Council.

13. Turning to the performance report for the United Nations Mission in Bosnia and Herzegovina (UNMIBH), including the United Nations Mission of Observers in Prevlaka (UNMOP) (A/52/708), he noted that the operation showed an unencumbered balance of $33,031,700. That balance had resulted primarily from delayed deployment of civilian staff, continued availability of supplies from UNPF headquarters for the maintenance of premises and supplies, fewer operational vehicles than estimated and reduced utilization of satellite and commercial communications. The General Assembly must decide on the treatment of the unencumbered balance. The proposed budget (A/52/786) called for a total of $190,921,200.

14. As a result of the termination of the mandate of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES), the United Nations liaison offices at Belgrade and Zagreb would be treated as part of UNMIBH beginning 1 July 1998 and 16 October 1998 respectively. Although UNMOP and the United Nations liaison offices at Belgrade and Zagreb were independent, they would be treated as part of UNMIBH for administrative and budgetary purposes. The provision of central support services to the peacekeeping missions in the former Yugoslavia had been transferred from the former United Nations Peace Forces headquarters to UNMIBH as at 1 July 1997. The actions to be taken by the General Assembly were set out in paragraph 50 of document A/52/786.

15. The additional information requested by the Advisory Committee had been provided in paragraphs 43 and 44 and annex VIII of the budget report. The Advisory Committee had also requested that the ratio of locally recruited staff to police monitors as well as their function should also be reviewed. That had been done, and it had been concluded that the ratio could not be reduced (paras. 47-49 and annex VII).

16. The financial performance report for the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (UNTAES), including the liaison offices at Zagreb and Belgrade, for the period from 1 July 1996 to 30 June 1997 (A/52/722), indicated an unencumbered balance of $15,899,400, resulting primarily from delayed deployment of military and civilian personnel, the availability of rent-free accommodation, provision of supplies by UNPF headquarters and the operation of fewer vehicles than estimated. The action to be taken by the General Assembly was a decision on the treatment of the unencumbered balance.

17. Turning to the proposed budget for UNTAES for the period from 1 July 1997 to 30 June 1998 (A/52/801), he noted that the total cost of maintaining the mission had been estimated at $266,619,500 in the Secretary-General's report of 28 February 1997 (A/51/520/Add.3). However, the Security Council had subsequently terminated the mandate of UNTAES on 15 January 1998 and established the Civilian Police Support Group with a mandate limited to a single nine-month period from 16 January to 15 October 1998. The report before the Committee contained the revised budget for the period from 1 July 1997 to 30 June 1998 and

provided for the maintenance of UNTAES to 15 January 1998 and the mission's liquidation thereafter, as well as for the maintenance of the Support Group for the period from 16 January to 30 June 1998. The revised budget amounted to $139,213,300 gross, inclusive of budgeted voluntary contributions in kind amounting to $297,500, consisting of $112,122,300 gross for the maintenance of UNTAES, $17,397,600 gross for its liquidation and $9,693,400 gross for the maintenance of the Support Group. The estimates for the Support Group provided for an authorized strength of up to 180 civilian police supported by 52 international and 165 local staff.

18. The financial performance report of the United Nations Preventive Deployment Force (UNPREDEP) (A/52/768) indicated an unencumbered balance of $1,264,400, resulting primarily from lower deployment of civilian staff, availability of supplies from UNPF headquarters and greater reliance on the United Nations-owned communications network. The action to be taken by the General Assembly was a decision on the treatment of the unencumbered balance. The proposed budget for UNPREDEP (A/52/805) amounted to $15.7 million, with the proposed budget for its subsequent liquidation set at $6.6 million. The action to be taken by the General Assembly included the appropriation and assessment of the amount of $22,314,100 gross for the maintenance and liquidation of the Force for the period from 1 July 1998 to 30 June 1999.

19. **Mr. Mselle** (Chairman of the Advisory Committee on Administrative and Budgetary Questions) drew attention to the Advisory Committee's report on the financing of the United Nations peacekeeping operations (A/52/860). In its report, the Advisory Committee again referred to the conditions under which it was often forced to work and the recurring problems of late submission of documents and poorly prepared Secretariat reports. The issues raised in the report required urgent attention by the Secretariat, and in particular by the various under secretaries-general.

20. There was a need to improve budget performance reports by making them more analytical and informative about all subjects relating to budget implementation, control and management. Realistic peacekeeping budgets must be prepared on the basis of accurate data. Budget estimates should take fully into account prior experience and the results of budget performance, thereby avoiding the presentation of unrealistic and often inflated budget estimates.

21. The process of preparing budget estimates and performance reports also needed considerable improvement. Procedures for the control and monitoring of budget implementation needed to be streamlined. Coordination between various Secretariat units at Headquarters and the field should be improved. The Advisory Committee was also convinced that the quality and quantity of staff resources should be carefully evaluated and more training programmes introduced to enhance staff expertise and ensure a return on the investment in new technology. Procedures and systems for asset management and inventory control needed to be improved considerably.

22. Chapter IX of the report dealt with voluntary contributions; since the General Assembly had already approved guidelines on the treatment of voluntary contributions, there was no need for new reports on the subject. The resolutions of the General Assembly should be implemented, and such implementation should be monitored by the General Assembly through the Advisory Committee.

23. Some of the problems identified by the Advisory Committee were of serious concern. For example, the Advisory Committee had concluded that the Secretariat's ability to implement the new procedures for reimbursing troop-contributing countries for contingent-owned equipment was flawed, and had requested a special audit by the Board of Auditors.

24. The report was accompanied by a number of addenda containing the Advisory Committee's reports on the budgets of peacekeeping operations for the period from 1 July 1998 to 30 June 1999. The Advisory Committee had also submitted a series of other reports which dealt with the status of special accounts for peacekeeping operations, or with missions that were under liquidation.

25. The report by the Board of Auditors had just been issued, and the Advisory Committee had met with members of the Board's Audit Operations Committee and with representatives of the Secretary-General. Because of time constraints, the Advisory Committee had decided to submit its report to the General Assembly at its fifty-third session. That delay would allow the Advisory Committee to give careful attention to the report of the Board of Auditors and to hold further discussions with representatives of the Secretary-General and the specialized agencies. In future, the Secretariat must close the accounts and prepare the financial statements and financial reports in time for the Board to complete its report earlier, so that the Advisory Committee and the General Assembly would have adequate time to consider the Board's report in conjunction with peacekeeping reports, in accordance with the new cycle for the review and approval of budgets for peacekeeping operations.

26. In its report on gratis personnel (A/52/890), the Advisory Committee recommended acceptance of the guidelines proposed by the Secretary-General for the employment of such personnel and made a number of comments which should be taken into account when the Secretariat implemented those guidelines. On the question of phasing out gratis personnel, the Advisory Committee had not commented on the latest quarterly report of the Secretary-General (A/C.5/52/51), which had been issued after it had approved its own report, but had pointed out that the procurement of gratis personnel services must be in full compliance with the provisions of General Assembly resolutions on the matter, which had not always been the case.

27. The Advisory Committee had been unable to submit a full report on the support account, for the reasons set out in its interim report, (A/52/892). It would submit a detailed report to the General Assembly at its fifty-third session. In the meantime, the Advisory Committee was recommending the conversion of 34 gratis positions to temporary posts, the addition of four new posts for asset management, the filling of 30 vacant posts and the flexible redeployment of the 346 posts in the current establishment. To that end, it recommended that $34.4 million should be appropriated for the support account.

28. The Advisory Committee's report on the financing of the United Nations Operation in Mozambique (A/52/853) was concerned with the final performance report and the disposition of the assets of the mission. The Advisory Committee recommended that Member States should be credited with $42.6 million in a manner to be determined by the General Assembly and that the Assembly should consider crediting the peacekeeping reserve fund with $15.3 million, representing interest and miscellaneous income.

29. The report of the Advisory Committee in document A/52/865 concerned the status of the special account for the United Nations Transitional Authority in Cambodia (UNTAC) and made comments on the report of the Secretary-General on the evaluation of the United Nations operations in Cambodia (A/51/777). Many of the findings in that report had been mentioned in numerous Advisory Committee reports on practically every peacekeeping operation. Regarding the status of the special account, the Advisory Committee recommended an additional appropriation of $17.7 million and the crediting to Member States of $8.7 million.

30. The Advisory Committee's report in document A/52/868 dealt with the financial performance report of the United Nations Protection Force (UNPROFOR) and its successor, the United Nations Peace Forces (UNPF), together with the question of the disposition of assets. A final performance report would be submitted late in 1998 or early 1999. The Committee might wish to consider whether there was a need to take action, at the current stage, on the reports of the Secretary-General and of the Advisory Committee.

31. The Advisory Committee had not submitted full reports for the United Nations Mission of Observers in Tajikistan (UNMOT), the United Nations Mission for the Referendum in Western Sahara (MINURSO) or the United Nations Observer Mission in Angola (MONUA). For those missions, the Advisory Committee was recommending, for the reasons explained in its report (A/52/860/Add.8), an appropriation and assessment of $72.8 million gross, as against the Secretary-General's initial proposals of more than $220 million. The recommended amount was based on the monthly requirement for those missions up to 31 October 1998, by which time it was expected that the Advisory Committee would be in a position to receive, review and submit recommendations on the revised estimates from the Secretariat.

32. The Advisory Committee had submitted recommendations on the budget for the United Nations Logistics Base at Brindisi, but intended to review carefully the information on the cost-benefit analysis that the Secretariat had submitted. The Advisory Committee would report to the General Assembly thereon in September 1998.

33. For the other missions he had not specifically referred to, the Advisory Committee's recommendations could be found in the individual reports on those missions. Wherever appropriate, the Advisory Committee had adjusted the estimates submitted by the Secretariat. In view of its recommendations in its general report (A/52/860), in particular paragraph 23, the Advisory Committee had recommended an additional general reduction of 5 per cent of all the estimates as reflected in the addenda to the report, except for the estimates of three missions: UNIFIL, UNDOF and UNFICYP. The Advisory Committee was currently preparing its report on the Secretary-General's estimates (A/52/895) for the financing of the new United Nations Mission in the Central African Republic (MINURCA).

34. **Mr. Paschke** (Under-Secretary-General for Internal Oversight Services) introduced the report of the Office of Internal Oversight Services on the audits of the procurement process in the United Nations Angola Verification Mission (A/52/881), which summarized the findings of audits conducted between June 1996 and December 1997. A draft of the report had been sent to the Department of

Peacekeeping Operations in February 1998, and the Department's comments thereon had been received in April 1998. Thus it had only been possible to finalize the report after those comments had been considered.

35. The audits had disclosed serious management deficiencies and apparent breaches of financial rules as well as improprieties and irregularities in the procurement process which had, in some cases, resulted in significant losses to the Organization.

36. While the Administration was expected to provide the General Assembly with a comprehensive report on corrective measures taken and its efforts to recover losses, the Office of Internal Oversight Services had included in the present report available information on remedial action taken so far. The Office appreciated the timely response by both the Mission and the Department of Peacekeeping Operations to the audit findings and the actions they had taken to implement the recommendations, all of which had helped to improve the process. However, while action on some of the issues had already been completed, there were a number of remaining issues that needed to be monitored closely.

37. He then introduced the report of the Office on the termination benefits paid to the locally employed civilians in UNFICYP (A/52/886). By its resolution 51/235, the General Assembly had requested the Office to evaluate and report on the events and circumstances which had led to the United Nations responsibility for termination paid to locally employed civilians in UNFICYP, including all aspects of accountability and responsibility of United Nations staff.

38. By way of providing background for the Organization's decision to pay part of the accrued termination benefits payable to locally employed civilians, which amounted to $5.2 million, the report discussed a key legal document, a memorandum of understanding signed in 1979 by the United Kingdom and the United Nations, in which the United Kingdom had agreed to provide logistical support to UNFICYP at United Nations expense and to bear the cost of logistical support for the United Kingdom contingent of UNFICYP. However, the memorandum had not defined clearly or precisely the parties' respective obligations and responsibilities vis-à-vis the employees' various entitlements and benefits. For reasons explained in the report, the United Kingdom Government had decided in November 1994 to discontinue providing that service.

39. When the Secretariat had learned of that decision by the United Kingdom, it had been under pressure to develop a solution which would maintain the continuity of the mission's day-to-day operations. At the same time, the financial implications of the Organization's legal liability in respect of termination benefits had not been perceived as a pressing legal issue, and officials from the Office of Legal Affairs and the Office of Programme Planning, Budget and Accounts who could have provided financial and legal assessments had not been initially consulted.

40. The report discussed the options which had been considered by the Department of Peacekeeping Operations in consultation with the Office of Human Resources Management. The option ultimately selected had consisted in converting the contractual status of locally employed civilians to that of locally recruited United Nations General Service staff by instructing the United Kingdom to terminate all contracts of locally employed civilians with the United Kingdom Civilian Establishment and Pay Office (CEPO). Subsequently, UNFICYP had rehired the locally employed civilians on the basis of demonstrated performance at levels established under a specially designed classification system.

41. After the Organization had decided to terminate the locally employed civilians, differences had arisen between the United Kingdom and the United Nations as to who should be responsible for paying termination benefits, and each party had supported its position by providing contradictory interpretations of its obligations. The United Nations had taken the position that the cost of termination benefits should be based on the same United Nations-United Kingdom cost-sharing formula which had applied to the salaries of locally employed civilians and other staff costs, including termination payments to such employees who had been terminated during the life of the memorandum of understanding. The United Kingdom's position, meanwhile, was that the United Nations was responsible for the totality of the termination payment, since the Organization had decided to terminate all the contracts in question and rehire the staff holding those contracts under new United Nations contracts.

42. The report further discussed the negotiations between the United Nations and the United Kingdom, which had lasted from the fall of 1995 until March 1997, when the parties had agreed on a settlement. During that process the Department of Peacekeeping Operations had sought and obtained advice from the Office of Legal Affairs. Ultimately the United Kingdom and the United Nations had both agreed to pay termination benefits based on the cost-sharing formula previously used by the parties for paying the employees' salaries.

43. The report stated unequivocally that no wrongdoing or impropriety on the part of the United Nations officials had been found at any stage of the process of option consideration and negotiation. The Organization's decision

to pay a portion of the termination benefit costs had been neither arbitrary nor wasteful. Indeed, serious and detailed consideration had been given to a range of options prior to choosing the only viable option in the light of the Organization's human resources policies. However, an analysis of the events and circumstances surrounding the decision showed that there were important lessons to be learned, and those were reflected in the conclusion of the report.

44. Based on the lessons learned, the report made two recommendations. First, in matters which presented significant legal issues and financial liability for the Organization, programme managers in the Department of Management and the Department of Peacekeeping Operations should consult the Office of Legal Affairs and the Office of Programme Planning, Budget and Accounts during the initial stages to assess possible risks to the Organization. Furthermore, in future, the United Nations should either enter into memoranda of understanding which spell out the details of the agreement between the parties, or else additional written agreements should be prepared within the framework of such memoranda spelling out the relevant details.

45. **Mr. Boynton** (United States of America) said that his delegation supported the Advisory Committee's recommendations to reduce the appropriation and assessment amounts proposed by the Secretary-General for individual items and to make a further reduction of 5 per cent for all peacekeeping operations, with the exception of UNDOF, UNIFIL and UNFICYP. His delegation had strong reservations about the level of appropriations proposed by the Secretary-General for UNIFIL and, to a lesser extent, for UNDOF, particularly the lack of adequate justification for the 61.8 per cent increase in UNIFIL salaries.

46. He supported the recommendations of ACABQ that the Secretary-General should review and improve the methodology, criteria and procedures of local labour market surveys to ensure that they were conducted as frequently as warranted and that relevant comparators were used. He was not convinced, however, that Rome should be used as the comparator for the United Nations Logistics Base at Brindisi or that Beirut should be used for UNIFIL.

47. All unencumbered balances should be credited to Member States in the normal manner. His delegation did not support any additions to the Peacekeeping Reserve Fund, in the light of the information provided to date.

48. He agreed with ACABQ that the Standard Ratios and Costs Manual should be periodically reviewed and revised to ensure that the standards more accurately reflected current, actual results. The Secretariat should conduct such reviews at least once every two years. He also agreed that the standard costs used for budgeting purposes should be tempered with actual performance results and that greater weight should be given to the use of mission-specific costs as opposed to standard costs when compiling the budgets.

49. His delegation agreed with ACABQ that the Secretary-General should intensify his efforts to streamline recruitment procedures in order to preclude higher-than-anticipated vacancy rates for peacekeeping operations personnel. It also supported the recommendations on contingent-owned equipment set out in paragraphs 46 and 47 of the Advisory Committee's report (A/52/860).

50. His delegation fully supported the recommendations contained in the report of the Board of Auditors (A/52/5). It was not convinced by the Secretary-General's responses to the Board's recommendations and findings, and hoped that the latter would be fully and expeditiously implemented. It was particularly concerned about the findings and recommendations of the Board and the Advisory Committee which highlighted management and internal control failures, coordination problems and poor management and budgeting practices.

51. His delegation was also deeply concerned about the lack of proper inventory management and control and about any recommendation by the Secretary-General to write off property that was presumed to have been lost or stolen. All property must be properly controlled on a continuous basis and inventoried annually, with managers held personally accountable for any lost or stolen property. The Secretary-General should take comprehensive, proactive measures to improve the selection and training of accountable managers. It was unacceptable that Member States should be asked to agree to write off millions of dollars' worth of items.

52. He questioned the need to procure vehicles and communications equipment for individual peacekeeping operations when those assets already existed at the United Nations Logistics Base at Brindisi and a comprehensive vehicle procurement system existed in the Procurement and Transportation Division at Headquarters. While his delegation fully supported the Brindisi Base and welcomed the progress that had been made in the field assets control system there, it nevertheless believed that further improvements could be made and urged the General Assembly to approve an annual budget for the Base as early as possible.

53. His delegation continued to be concerned about the number of international General Service posts in peacekeeping operations and at the United Nations Logistics

Base at Brindisi. Further information from the Secretariat on that subject, particularly with regard to UNIFIL, would be welcome. He proposed that the Committee should use the same language that had been used in General Assembly resolution 52/228, on the financing of the United Nations Mission for the Referendum in Western Sahara, namely: "requests the Secretary-General, in order to reduce the cost of employing General Service staff, to continue efforts to employ locally recruited staff for the Mission against General Service posts, commensurate with the operational requirements of such posts". His delegation agreed with the Advisory Committee that the Secretary-General should conduct a more comprehensive review of General Service posts with a view to replacing international General Service posts by local posts, except where the former were justified.

54. **Mr. Moktefi** (Algeria) said that his delegation supported most of the comments and recommendations in the report of the Advisory Committee (A/52/860). In particular, it agreed that there was a need to restore the discipline concerning budget formulation, review and approval (para. 11), enhance coordination between different departments of the Secretariat (para. 12), and streamline the preparation of performance reports (para. 17). It would be useful for the Secretariat to report on the progress achieved in solving the problems that had been identified.

55. On the subject of unliquidated obligations, his delegation agreed that estimates and procedures must be refined. The very high vacancy rates in most peacekeeping operations were a source of concern; the cumbersome recruitment procedures reduced the Organization's ability to obtain the services of skilled staff and undermined the operational performance of peacekeeping operations. His delegation would welcome explanations from the Secretariat about contingent-owned equipment arrangements, especially services contracted out by missions. It was also concerned about the possibility that the United Nations had paid twice for some items covered under wet-lease arrangements (para. 43). He sought explanations as to why three gratis personnel had conducted negotiations on the new contingent-owned equipment arrangements with the troop-contributing countries (para. 47), and why no adequate system existed for procurement, inventory management and disposal. Lastly, his delegation supported the call for a more transparent treatment of voluntary contributions, consistent with the principle of full budgeting (para. 56).

56. **Mr. Farid** (Saudi Arabia) said that his delegation supported the recommendations and observations contained in the Advisory Committee's report (A/52/860) and wished to highlight those about which it was particularly concerned. Firstly, more planning was needed for all aspects of travel. Secondly, all peacekeeping budgets should disclose estimated income from staff assessment and other sources. The statement that $11.6 million had been stolen from inventory (para. 52) was a source of serious concern to his delegation and must be followed up. He agreed with the Advisory Committee that $34 million should be appropriated to the support account and that an audit of the procedures for new contingent-owned equipment was necessary. It was also necessary to increase the capacity for the storage and transmittal of electronic data in the field and to establish links between the field and Headquarters. Lastly, there was a need to improve the internal control systems of all peacekeeping operations in the field.

57. **Mr. Watanabe** (Japan) said that since Japan's participation in the United Nations Transitional Authority in Cambodia (UNTAC) in 1992-1993, nearly 2,000 Japanese nationals had participated in United Nations peacekeeping operations and other international humanitarian assistance activities. The current participation of Japanese units in the United Nations Disengagement Observer Force (UNDOF) in the Syrian Golan continued to receive strong support from the people of Japan.

58. Outstanding contributions from Member States to peacekeeping operations, which currently stood at more than $1.54 billion, not only affected operations adversely but also precluded the reimbursement of troop-contributing countries.

59. With regard to the overestimation of the peacekeeping budget, he noted that the original overestimation had been 9.8 per cent for the period from 1 July 1996 to 30 June 1997. That figure indicated a lack of accountability in the Secretariat's budget proposals for peacekeeping operations, a matter of grave concern to Japan, which had paid nearly 20 per cent of the overestimation. His delegation therefore requested the Secretary-General to provide the Committee with more accountable budget proposals for peacekeeping activities and concurred with the recommendation of ACABQ that there should be a further reduction of 5 per cent for all operations with the exception of UNDOF, UNIFIL and UNFICYP.

60. With regard to the proper functioning of the Department of Peacekeeping Operations, he shared the concern expressed by a number of delegations about the consequences of the phasing out of gratis personnel. Japan supported the phase-out, but it should be implemented in a way that did not affect the proper functioning of the Department. He would welcome additional information from the Department that would enable the Committee to discuss the matter constructively.

61. On the subject of vacancy rates, his delegation believed that manpower was critical to peacekeeping activities, and it would therefore welcome clarification of the comparatively high peacekeeping vacancy rates.

62. Lastly, with regard to the budget cycle for peacekeeping operations, the Committee had had difficulty in deciding during the current session how to proceed with its consideration of the peacekeeping budget. As all delegations were aware, the problem concerned more than the Committee's working methods, and he hoped that a practical solution could be found in the near future.

63. **Mr. Najem** (Lebanon) said that he wished to speak on behalf of the Group of Arab States on the financing of the United Nations peacekeeping forces in the Middle East. Those States wished to convey their regret and displeasure at the fact that Israel had failed to meet its obligation, under paragraph 8 of General Assembly resolution 51/233, to pay the sum of $1,773,618 to cover the costs resulting from its attack on the UNIFIL compound at Qana in 1996. The international community, as represented in the General Assembly, should compel Israel to pay the costs in question; otherwise its non-compliance might set a precedent.

64. **Mr. Farid** (Saudi Arabia) endorsed the statement made by the representative of Lebanon.

65. **Mr. Sulaiman** (Syrian Arab Republic) said that Israel's financial obligations under General Assembly resolution 51/233, represented only a minute part of the consequences of the Israeli attack on the UNIFIL compound at Qana, and were nothing compared with the lives of the victims, namely the United Nations soldiers and the Lebanese civilians seeking protection at the compound. In accordance with the principles of international law, Israel, which had always contrived to evade its political responsibilities, must be forced to comply with resolution 51/233 so as to avoid establishing a precedent. In addition, a penalty must be imposed that would be sufficient to dissuade Israel from repeating such massacres. That was particularly important since Israeli attacks had also been directed against United Nations soldiers and premises.

66. **Mr. Atiyanto** (Indonesia) said that as a matter of principle, his delegation attached great importance to the financing of United Nations peacekeeping operations in the Middle East, especially UNIFIL. His delegation supported the statement by the representative of Lebanon on behalf of the Arab States.

67. **Mr. Cohen** (Israel) said that the cynical attempt made in the Committee in 1997 to impute responsibility to Israel for the Qana incident through political manipulation of a technical resolution had not succeeded in altering the facts then, just as repetition of General Assembly resolution 51/233 and the same recycled rhetoric could not alter the facts now. Defensive military operations against terrorists who had shamelessly used a UNIFIL outpost as cover for their provocative attacks had been, and continued to be, justified and necessary. It should be noted, however, that on 1 April 1998 the Government of Israel had adopted a decision to accept Security Council resolution 425 (1978) in order to break through the current impasse and revive efforts to implement that resolution fully. Israel hoped that that effort would help to ensure peace with all its neighbours. Repeating the previous year's political show at the current meeting would only serve the efforts of those who wished to undermine any peace initiative and preferred continued violence and confrontation to negotiations and compromise. The United Nations could remain mired in the bitter controversies of the past, or it could seize the opportunity to assist in working out a solution to conflict, as called for in the Charter.

68. **Mr. Najem** (Lebanon) said that his delegation took exception to the fact that the representative of Israel should seek to place responsibility for the Qana incident on the resistance fighters in southern Lebanon and that he should characterize them as terrorists. Actually, they were resisting the Israeli occupation and were committed to the freedom and liberation of Lebanon. It was Israel's occupation of southern Lebanon and its seizure of territory by force that represented terrorism, as did its killing of civilians and its attack on the UNIFIL compound at Qana. Israel's conditional acceptance of Security Council resolution 425 (1978), 20 years after its adoption, was to be regarded as undermining the entire resolution. Israel alone must bear the consequences of its aggression.

69. **Mr. Sial** (Pakistan) said that his delegation attached great importance to the need to finance all peacekeeping operations. Like the representative of Lebanon, he wished to stress the need for full implementation of General Assembly resolution 51/233.

70. **Mr. Sulaiman** (Syrian Arab Republic) said that Israel's allegation that Arab citizens defending their land were terrorists was merely an attempt to conceal the falsehood on which the State of Israel was itself based. It was a reflection of Israel's terrorist policy based on the expulsion and murder of local inhabitants. Israel spoke of peace, but it did not mean what it said: it had never in its history implemented any resolutions of the General Assembly or the Security Council. Following up General Assembly resolution 51/233 by compelling Israel to meet its financial responsibilities was a simple matter in comparison

with the successive crimes Israel had committed since coming into existence on Arab land.

71. **Mr. Boynton** (United States of America) said that the Committee should concentrate on administrative and budgetary issues and leave political issues to the appropriate bodies. The statements just made were regrettable since peacekeeping operations by their nature involved many sides, and if every side made such statements the Committee would never be able to approve any budgets.

72. **Mr. Darwish** (Egypt) said that he endorsed the statement made by the representative of Lebanon on behalf of the Arab States and would therefore limit his remarks to a small number of issues. His delegation supported the full implementation of General Assembly resolution 51/233, and Israel must discharge all of its financial obligations as set forth in that resolution. Accordingly, his delegation endorsed the recommendations of the Advisory Committee contained in paragraphs 4 and 22 of its report (A/52/860/Add.6).

73. He wished to know whether the share of the cost of the United Nations Logistics Base at Brindisi charged to UNIFIL was subject to change and how it was calculated each year. He also wished to know why no local salary survey had been undertaken between 1992 and 1996, when local staff salaries had suddenly been raised by 61.8 per cent. He sought an explanation of the recommendation that the reserve fund for the third-party liability insurance of helicopters should be eliminated and the unencumbered balance returned to Member States. He wondered whether the reasons that had prompted the establishment of the fund 12 years earlier were no longer valid, rendering its continued existence pointless. In any event, the reasons for the presence of the Force itself continued to exist.

74. **Ms. Buergo-Rodriguez** (Cuba) said that the item under consideration was highly sensitive, and it was very important that the General Assembly should give it due attention. Her delegation believed that the Committee should ensure the implementation of General Assembly resolutions especially those which had originated in the Committee, such as resolution 51/233. All the work of the Main Committees was political, and the Fifth Committee could not abstract itself from the general, political nature of its work.

75. **Mr. Yeo** (Director of the Peacekeeping Financing Division), replying to the representative of Egypt, said that the UNIFIL reserve account for the third-party liability insurance of helicopters had been established in 1986. At that time there had been particular circumstances which had led to drastic cost increases in insurance premiums for UNIFIL helicopters; it had therefore been agreed that limited commercial insurance coverage would be purchased for the helicopters and that the third-party portion would be self-insured. The reserve account had been established to receive the funds approved in the UNIFIL budget for that purpose. Those amounts had been collected over the years, but, as noted by the Advisory Committee in its latest report, there had subsequently been no need for recourse to those funds. The Advisory Committee had therefore concluded that the reserve fund should be eliminated. The Secretariat had provided the Advisory Committee with detailed information regarding the payments made and the increases in local level staff salaries; that information would be provided to the Committee in writing at its next meeting.

76. **Mr. Sulaiman** (Syrian Arab Republic) said that the Advisory Committee had not commented adequately on the subject of appropriations in its report on UNIFIL (A/52/860/Add.6). There was a disparity between the English and French texts with regard to the additional requirement of $639,356 (para. 4), and the French text should be corrected.

77. **Mr. Monayir** (Kuwait), addressing the matter of the overpayment of mission subsistence allowance at the United Nations Iraq-Kuwait Observation Mission (UNIKOM), expressed surprise at the increase in the amount in question, as reported in document A/52/790 and Corr.1, from $988,443.50 to $6,312,201.53. The overpayment, which the document in question indicated was the result of the erroneous application of mission subsistence allowance rules in regard to several components of mission subsistence allowance entitlement, had been discovered in 1993, yet no steps had been taken to halt it at the time. The matter was of the greatest importance to the Government of Kuwait, which had voluntarily agreed to defray two thirds of the cost of UNIKOM but which did not agree to absorb the cost of mistakes made by officials in various locations, whether at Headquarters or in the field.

78. His delegation supported the recommendations made by the Advisory Committee in its report (A/52/860/Add.7), particularly that contained in paragraph 16, and urged speedy intervention with a view to scrutinizing and reviewing the accounts in order to ascertain that there had been no other mistakes. He also wished to point out that Kuwait had also made contributions in kind, but they were rarely mentioned.

79. **Mr. Odaga-Jalomayo** (Uganda) asked when the report of the Secretary-General on the payment of mission subsistence allowance would be available.

80. **Mr. Halbwachs** (Controller) said that, as noted in the report of the Secretary-General, the Government of Kuwait had been a generous contributor to UNIKOM. On the

question of overpayment, the Office of Internal Oversight Services was currently conducting an audit in that area.

81. **Mr. Medina** (Morocco) drew attention to the disparity between the English and French versions of the Secretary-General's report on the financing of the United Nations Mission for the Referendum in Western Sahara (A/52/730/Add.1 and Add.3). Morocco considered the English version to be the authentic text.

The meeting rose at 12.55 p.m.

United Nations A/C.5/52/SR.63

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Summary record of the 63rd meeting
Held at Headquarters, New York, on Monday, 18 May 1998, at 3 p.m.

Chairman: Ms. Incera (Vice-Chairman) ..... (Costa Rica)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 126: Financing and liquidation of the United Nations Transitional Authority in Cambodia (*continued*)

Agenda item 127: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (*continued*)

Agenda item 129: Financing of the United Nations Operation in Mozambique (*continued*)

Agenda item 130: Financing of the United Nations Peacekeeping Force in Cyprus (*continued*)

Agenda item 131: Financing of the United Nations Observer Mission in Georgia (*continued*)

Agenda item 136: Financing of the United Nations Mission of Observers in Tajikistan (*continued*)

Agenda item 138: Financing of the United Nations Mission in Bosnia and Herzegovina (*continued*)

Agenda item 139: Financing of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (*continued*)

Agenda item 140: Financing of the United Nations Preventive Deployment Force (*continued*)

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98-80658 (E)

Agenda item 142: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*)

In the absence of Mr. Chowdhury (Bangladesh), Ms. Incera (Costa Rica), Vice-Chairman, took the Chair

The meeting was called to order at 3.15 p.m.

Agenda item 126: Financing and liquidation of the United Nations Transitional Authority in Cambodia (*continued*) (A/49/714 and Corr.1 and 2 and Add.1, A/49/867 and A/49/943; A/51/777; A/52/819 and A/52/865)

Agenda item 127: Financing of the United Nations Protection Force, the United Nations Confidence Restoration Operation in Croatia, the United Nations Preventive Deployment Force and the United Nations Peace Forces headquarters (*continued*) (A/52/792, A/52/815 and A/52/868)

Agenda item 129: Financing of the United Nations Operation in Mozambique (*continued*) (A/49/649/Add.3; A/51/807; A/52/680 and Add.1 and A/52/853)

Agenda item 130: Financing of the United Nations Peacekeeping Force in Cyprus (*continued*) (A/52/775 and Add.1, A/52/860/Add.4 and A/52/886)

Agenda item 131: Financing of the United Nations Observer Mission in Georgia (*continued*) (A/52/770, A/52/787 and A/52/860/Add.2)

Agenda item 136: Financing of the United Nations Mission of Observers in Tajikistan (*continued*) (A/52/772 and Add.2 and A/52/860/Add.8)

Agenda item 138: Financing of the United Nations Mission in Bosnia and Herzegovina (*continued*) (A/52/708 and Corr.1, A/52/786 and A/52/860/Add.3)

Agenda item 139: Financing of the United Nations Transitional Administration for Eastern Slavonia, Baranja and Western Sirmium (*continued*) (A/52/722, A/52/801 and A/52/859)

Agenda item 140: Financing of the United Nations Preventive Deployment Force (*continued*) (A/52/768, A/52/805 and A/52/860/Add.1)

Agenda item 142: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*) (A/51/957; A/52/407, A/52/810, A/52/858, A/52/860 and A/52/897; A/C.5/52/37, A/C.5/52/44 and Corr.1, A/C.5/52/49, A/C.5/52/50 and A/C.5/52/52)

1. **Mr. Sial** (Pakistan), referring to the report of the Secretary-General on the financing of the United Nations Protection Force (UNPROFOR), the United Nations Confidence Restoration Operation in Croatia (UNCRO), the United Nations Preventive Deployment Force (UNPREDEP) and the United Nations Peace Forces (UNPF) headquarters (A/52/815), expressed the hope that the final performance report to be submitted in early 1999 would contain detailed information, particularly on the issues raised in the related report of the Advisory Committee (A/52/868). His delegation shared the Advisory Committee's concern about the composition of the teams that had conducted negotiations with those troop-contributing countries that had opted for wet-lease arrangements (para. 6). He drew attention in particular to the Advisory Committee's observation that the use of gratis personnel of the same nationality as the troop-contributing countries in the mission area created a potential conflict of interest and might call into question the fairness of the results of the negotiations. An explanation from the Secretariat would be appreciated. The Secretariat should also inform the Committee of measures taken to avoid double payments for items that would also be covered under the new wet-lease arrangements (para. 7).

2. He welcomed the corrective measures taken by the Secretariat to improve inventory control and assets management (para. 8). As the Advisory Committee attached importance to having a complete unified inventory database, he proposed that the General Assembly should request the Secretary-General to take appropriate action, as a matter of priority, to that end.

3. His delegation noted with concern that, according to document A/52/792 (para. 6 (c)), property worth $68 million – equal to about 20 per cent of the inventory value – had been written off or lost. That raised serious questions about effective control and proper management of United Nations property. The Secretariat should provide detailed information on the reasons for such write-offs and losses. In future, such information should be provided in the final disposition of assets of all peacekeeping operations, as requested by the Advisory Committee.

4. Referring to annex III of the same report, he noted that, in general, the inventory value of property sold to the Implementation Force, the International Tribunal for the Prosecution of Persons Responsible for Serious Violations of International Humanitarian Law Committed in the Territory of the Former Yugoslavia since 1991 and the Mine Action Centre far exceeded that of the property auctioned. It was also not clear how the value of medium vehicles could exceed that of heavy vehicles, particularly in the light of the final disposition of assets shown in annex I. The Secretariat

should explain the rationale for such decisions and actions. The discrepancies between the auctioned and inventory value of desktop and laptop computers and printers should also be explained.

5. The inventory value of some items sold to the Implementation Force was either equal to or greater than the sale value. For example, light and medium vehicles had been sold to the Force at the original inventory value, and 42 photocopiers had been sold at a price higher than the inventory value. The Secretariat should explain how equipment that had been used for years could retain its original value. His delegation fully agreed with the Advisory Committee that the auction sales had not been effective and that corrective measures must be taken. The Secretariat should also indicate whether the quality of the property mentioned in the report actually corresponded to the quantity mentioned in the inventory.

6. **Mr. Moktefi** (Algeria) said that he was concerned about some of the points raised in the Advisory Committee's report (A/52/868). Paragraph 6 of that report indicated that negotiations with troop-contributing countries had been conducted by gratis personnel, nearly all of whom had been nationals of one or the other of the three major troop contributors. Clearly, that situation had given rise to a conflict of interest. He was also concerned to note that, in the absence of an elaborate accounting system, there was a high probability that some items purchased for peacekeeping operations would be paid for twice when they were also covered under the new wet-lease arrangements. Paragraph 16 of the report indicated that UNPF property with an inventory value of $67.7 million had been sold for the disappointing sum of $47.7 million. He wondered whether the procedures for the auctioning of United Nations peacekeeping assets could be improved. Lastly, he asked how $56.7 million worth of UNPF property could have been written off, as noted in paragraph 17, and what corrective measures would be applied to prevent the recurrence of such situations.

7. **Mr. Thorne** (United Kingdom), speaking on behalf of the European Union and the associate countries of Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Lithuania, Poland, Romania, Slovakia and Slovenia, as well as Norway, said that peacekeeping was a key instrument for the maintenance of international peace and security, which was the primary role of the United Nations. He welcomed the development of more multi-functional peacekeeping, of which the United Nations Mission in the Central African Republic (MINURCA) was a good example. European Union countries had contributed thousands of troops and police officers to peacekeeping operations, as well as more than 38 per cent of the total cost of such operations. The most effective administrative, budgetary and financial arrangements must be made for peacekeeping operations, and the Organization's operational capacity to maintain international peace and security must be maintained and improved through effective planning, deployment and management of such operations. The phasing out of gratis personnel would require transitional arrangements that would minimize disruption and loss of expertise.

8. He welcomed the progress made in processing compensation claims for death and disability sustained by peacekeeping troops, as reported in document A/C.5/52/50, as well as the Secretary-General's efforts to obtain assurances from Member States regarding the amounts payable by them to the beneficiaries, pursuant to section II, paragraph 5, of General Assembly resolution 51/218 E. The new procedures for determining reimbursement to Member States for contingent-owned equipment were far superior to the old ones, and it was unfortunate that the Secretary-General had not submitted a report on their application in time for consideration at the current session. Moreover, the Phase IV Working Group had requested a report from the Secretariat on the financial implications of the retroactive application of the new procedures. The European Union had noted, the previous year, that neither the budgets nor the performance reports for individual peacekeeping operations contained information on the implementation of those provisions of the new procedures that related to environmental and operational mission factors. He asked why the Secretary-General had not yet begun to include standardized information on those provisions in all budget proposals. A solution must also be found to the problem of write-offs from past missions, to which the old system still applied.

9. He reiterated the European Union's concern at the slow progress of procurement reform in the Department of Peacekeeping Operations and the Department of Management. He commended the Secretariat for its efforts to develop a new field assets control system within the emerging field mission logistics system, since those systems could significantly reduce costs and staffing requirements while improving equipment management and logistics support. A projection by the Secretariat of future staffing needs following the introduction of new procedures and technology would be useful.

10. The proper management of peacekeeping assets and their coordination with procurement were preconditions for increasing Member States' confidence in the Organization's use of peacekeeping resources. Accordingly, the existence

of the United Nations Logistics Base must be based on sound practical considerations.

11. European Union countries paid their peacekeeping contributions in full, on time and without conditions, and considered it unacceptable that other countries should fail to do likewise. The European Union's proposed revisions to the scale of assessments for peacekeeping operations had been introduced as far back as January 1996. That proposal would result in a more equitable and more transparent scale that would adjust automatically to changed economic circumstances while continuing to take into account the needs of Member States with below-average per capita incomes. It would be helpful if updated information on the relationship between peacekeeping shares and per capita income could be made available immediately in the form of a conference room paper. The peacekeeping scale should be updated to eliminate the anomaly whereby a few countries with above-average per capita gross national product (GNP) enjoyed an undeserved advantage at the expense of other Member States.

12. Lastly, the financial reform proposals submitted previously by the European Union included a system of payment incentives and penalties and a suggestion that the Financial Regulations should be amended to ensure that Article 19 of the Charter took effect when a Member State actually accumulated more than two years' worth of arrears. The Committee on Contributions would consider those issues at its forthcoming session; he looked forward to its conclusions.

13. **Ms. Duschner** (Canada), speaking also on behalf of Australia and New Zealand, said that a central storage facility for United Nations peacekeeping assets would be needed for the foreseeable future, since surplus equipment from past peacekeeping missions should be reused in new or ongoing missions. The need to maintain a limited range of essential *matériel* and start-up kits for missions had been demonstrated in the case of MINURCA, whose establishment within the Security Council's 19-day deadline had been made possible, in part, by the airlifting of essential vehicles and telecommunications equipment from the United Nations Logistics Base at Brindisi. The maintenance of a limited range of *matériel* at a central logistics depot was therefore valuable in terms of improved operational response capacity and cost savings. She supported the Secretary-General's recommendations concerning the Logistics Base, which could play a useful role within the field mission logistics system and should receive the necessary funding.

14. The backlog of death and disability claims to be processed had been reduced from 564 in May 1997 to fewer than 90. She welcomed the Secretariat's quarterly report on the subject, but felt that it could be more informative. The claims referred to in those reports were claims which had been verified by the Field Administration and Logistics Division; she asked whether an additional category could be included, indicating how many claims had been processed by the Office of Programme Planning, Budget and Accounts.

15. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, said he was surprised that the issue of the scale of assessments for peacekeeping operations had been raised, as it was not on the agenda of the current part of the resumed session. A number of General Assembly resolutions, including resolutions 1874 (S-IV) and 3101 (XXVIII), had laid down important guidelines and principles concerning that scale. The differentiation between the regular budget and the peacekeeping budget in the apportionment of expenditures must be maintained, since the financing of peacekeeping operations ought to reflect the special responsibilities of the permanent members of the Security Council, and it was reasonable to presume, based on economic realities, that more developed countries had a greater capacity to pay for peacekeeping than less developed ones. The existing system, which divided expenditures among the four groups, should be institutionalized, and the special scale for peacekeeping operations should be retained, according to the principle of collective but differentiated responsibility.

16. **Mr. Chen Yue** (China) said that his delegation supported the statement made by the representative of Indonesia on behalf of the Group of 77 and China. Clearly, the scale of assessments for peacekeeping operations was a very important issue. However, it was not on the agenda for the second part of the resumed session, and should therefore be addressed at an appropriate time in the future. China's position on that question remained unchanged.

17. ***Mr. Sial*** *(Pakistan) also supported the statement made* by the representative of Indonesia on behalf of the Group of 77 and China. The Committee's agenda was already too full; adding items would only complicate the work of the Committee.

18. **Mr. Darwish** (Egypt) expressed his delegation's full support for the statement made by the representative of Indonesia. It was extremely important to differentiate between the scale of assessments for peacekeeping operations and that for the regular budget. For the time being, there was no need to open a debate on the scale of assessments for peacekeeping operations.

19. **Mr. Thorne** (United Kingdom), speaking on behalf of the European Union, said that he had merely reminded

Committee members that a package of proposals put forward by the European Union in 1996 had not been considered. He had then referred to two elements of that package, one regarding Article 19 of the Charter and another on eliminating one of the anomalies in the peacekeeping scale. However, he had not suggested reopening the debate or taking a particular course of action. As to his request for a conference room paper, he was surprised that any member of the Committee would object to receiving updated information.

20. **Mr. Moktefi** (Algeria) supported the statement by the representative of Indonesia and added that the request for a conference room paper was not appropriate, since the scale of assessments was not on the agenda of the second part of the resumed session. The Committee had more immediate concerns to address, and any updating of information should be done under the relevant agenda items.

21. **Mr. Yeo** (Director of the Peacekeeping Financing Division), replying to the representative of the United Kingdom, said that the Secretariat's reports concerning the report of the Phase IV Working Group on Reimbursement of Contingent-owned Equipment and the initial implementation of the new arrangements for contingent-owned equipment were being finalized. The Advisory Committee would review the report of the Phase IV Working Group and the related report of the Secretary-General. A comprehensive response to the inventory-related questions raised by the representative of Pakistan would be provided the following day.

22. In reply to the representative of Canada, he said that, as a matter of course, death and disability claims were submitted for payment as soon as the Department of Peacekeeping Operations certified them. Occasionally, they were returned to the Department because of discrepancies in certification or incomplete documentation. In instances where no cash was available in a mission account, claims were included under accounts payable. In most cases, every effort was made to honour payment even if that entailed short-term borrowing from other missions. For the time being, the Division had no intention of including an additional category, whose utility was questionable. However, further consideration would be given to the idea. The Department of Peacekeeping Operations was preparing a consolidated response to the other questions raised during the meeting.

23. **Mr. Boynton** (United States of America) said that his delegation saw no problem in acceding to the request for a conference room paper and proposed that it should be issued under agenda item 142 (b).

24. **Mr. Halbwachs** (Controller) introduced the report of the Secretary-General on financing of the United Nations Logistics Base at Brindisi (A/52/810). The original estimate had been $7,875,000, and expenditures for the period had totalled $5,349,000. The resulting unencumbered balance was due primarily to lower expenditures under premises, transport operations and miscellaneous supplies and services. The proposal being submitted to the General Assembly, with the concurrence of the Advisory Committee, was to take a decision on the application of the unencumbered balance.

25. Introducing the report of the Secretary-General on the budget of the Logistics Base for the period from July 1998 to July 1999 (A/52/858), he said that the proposed budget for that period amounted to $7,141,800, including a non-recurrent cost of $829,900 for the completion of start-up kits. Start-up would include the purchase of vehicles, observation equipment and miscellaneous supplies. The proposed budget provided for a complement of 20 international staff and 28 locally recruited staff. Annex XI contained detailed information on various staffing changes, including an increase in field service personnel from 6 to 10 in order to accommodate four technicians to operate the satellite relay facility. Another proposal concerned the elimination of the resident auditor's post and replacement of the auditor by a legal adviser, whose functions were outlined in annex V.

26. The information that had been provided in response to General Assembly resolution 52/1, paragraph 4, which requested the preparation of a comprehensive cost-benefit analysis of the operation of the Logistics Base, was contained in annex VII. Information on the use of the Base by other United Nations agencies and programmes was given in annex VIII. Information on the role of the Base within the United Nations logistical support strategy was contained in annex IX. Annex X was a progress report on the clearance of the backlog of inventory, while annex XII provided detailed information on the communications relay system and its functions.

27. The action being recommended to the General Assembly included approval of the cost estimate of $7,141,800 and a decision to apply the unencumbered balance of $2,025,800 to the resources required for the period from July 1998 to June 1999 and to prorate the balance of $5,116,000 among the individual active peacekeeping operation budgets. The Assembly would also be requested to approve the resourcing policy proposed in section VIII of document A/51/905, regarding the inclusion in future liquidation budgets of provision for the cost of repair, refurbishment and preservation equal to 30 per cent

of the total depreciated value of the equipment to be transferred to the Base.

28. Introducing the note by the Secretary-General on death and disability benefits (A/C.5/52/50), he said that the document was essentially a quarterly report on progress made in clearing the backlog in death and disability claims. As at 31 March 1998, there had been a backlog of 90 claims, representing a significant improvement over the figures of 285 for 31 December and 564 for 19 May 1997.

29. The Secretary-General's note on the proposed budgetary requirements of each peacekeeping operation for the period from 1 July 1997 to 30 June 1998 (A/C.5/52/44) was an update of budgetary information provided earlier. The total estimated requirement was $958,028,000. The Secretary-General's note on the proposed budgetary requirements of each peacekeeping operation for the period from 1 July 1998 to 30 June 1999 (A/C.5/52/52) provided the same type of information. The estimated requirement for the period from July 1998 to June 1999, including the requirement for MINURCA, was $825,957,500.

The meeting rose at 4.10 p.m.

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Summary record of the 64th meeting
Held at Headquarters, New York, on Tuesday, 19 May 1998, at 10 a.m.

Chairman: Ms. Incera (Vice-Chairman) ..... (Costa Rica)
Chairman of the Advisory Committee on Administrative and Budgetary Questions: Mr. Mselle

Contents

Agenda item 142: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*)

Agenda item 114: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*)

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In the absence of Mr. Chowdhury (Bangladesh), Ms. Incera (Costa Rica), Vice-Chairman, took the Chair.

The meeting was called to order at 10.20 a.m.

Agenda item 142: Administrative and budgetary aspects of the financing of the United Nations peacekeeping operations (*continued*)

(a) Financing of the United Nations peacekeeping operations (*continued*) (A/51/965, A/52/30, A/52/837 and Corr.1, A/52/838, A/52/892; A/C.5/51/52/Rev.1)

Agenda item 114: Review of the efficiency of the administrative and financial functioning of the United Nations (*continued*) (A/52/698, A/52/709 and Corr.1, A/52/710, A/52/823, A/52/853 and A/52/890; A/C.5/52/43)

1. **Mr. Halbwachs** (Controller), introducing the performance report on the use of support account resources for the period from 1 July 1996 to 30 June 1997 (A/52/838), recalled that in its resolution 50/221 B, the General Assembly had authorized an amount of $30,534,400 for the period in question. Expenditures had amounted to $28,066,000, resulting in an unutilized balance of $2,468,400, which was due in large part to staff cost savings.

2. Introducing the report of the Secretary-General on support account requirements for the period from 1 July 1998 to 30 June 1999 (A/52/837 and Corr.1), he said that the General Assembly was being asked to approve the support account estimate of $39,409,400 for the period from 1 July 1998 to 30 June 1999; to take a decision to apply the unencumbered balance of $2,468,400 for the period from 1 July 1996 to 30 June 1997 to the resources required for the period from 1 July 1998 to 30 June 1999; and to take a decision to prorate the balance of $36,941,000 among the individual active peacekeeping operations to meet the requirements of the support account for the period from 1 July 1998 to 30 June 1999.

3. The Secretary-General was proposing a net increase of 23 posts for the support account. The request for the funding of three posts for the secretariat of the Advisory Committee on Administrative and Budgetary Questions (ACABQ) had been withdrawn, in keeping with the Fifth Committee's decision that those posts would be funded from the regular budget.

4. Of the 20 proposed new posts, eight were requested for the Rapidly Deployable Mission Headquarters; one for the Civilian Police Unit of the Department of Peacekeeping Operations; two for the Office of Internal Oversight Services, in view of the significant number of investigations conducted by that Office; and one General Service post for the Contributions Section of the Financial Management Office of the Department of Management, in view of that Section's heavy workload.

5. Lastly, following the in-depth evaluation and comprehensive review of the Department of Peacekeeping Operations, 106 posts were requested in replacement of gratis personnel. Should the General Assembly authorize those post requests, it was the intention of the Secretary-General to advertise externally those positions which required expertise not available in the Secretariat. For approximately 36 of those positions, the Department's operational requirements would further necessitate the recruitment of officers in active military or police service.

6. The Secretariat had carried out the in-depth evaluation and comprehensive review of total human resource requirements for Headquarters backstopping of peacekeeping operations called for by the General Assembly in its resolution 51/239 A. As a result of the evaluation, it had been decided to tighten the links between the Office of Operations and the Situation Centre, since the latter was the focal point of communications and information between Headquarters and field operations. The Situation Centre had therefore been transferred to the Office of Operations.

7. It had also been concluded, following the review, that there was no overlap between regional divisions of the Department of Political Affairs and the Department of Peacekeeping Operations Office of Operations, and that the division of labour between the two Departments was clear. It had also been decided to consolidate the lessons-learned function with the Policy and Analysis Unit of the Office of the Under-Secretary-General and to transfer the Medical Support Unit to the Logistics and Communications Service of the Field Administration and Logistics Division.

8. The Secretariat had provided ACABQ with detailed information on the functions that corresponded to each post in each unit of the Department of Peacekeeping Operations and would be happy to make that information available to the Committee.

9. With regard to the workload related to completed and closed missions, table 3 of the report listed the tasks remaining with respect to such missions for the period 1 July 1998 to 30 June 1999. It was difficult to forecast when significant work would cease in respect of those missions, since that determination was contingent on, among other things, the submission of outstanding claims for reimbursement from troop-contributing countries, their

review and certification, and the concomitant collection of outstanding assessed contributions from Member States upon which the availability of funds for processing of payments was dependent.

10. Some progress had been made during the previous year towards reducing the backlog of death and disability claims for incidents occurring up to and including 30 June 1997.

11. With regard to the lessons-learned function, he recalled that in its resolution 51/239 B the General Assembly had decided to redeploy three posts, on a temporary basis, for the period from 1 January to 30 June 1998. As part of its review of requirements, the Department of Peacekeeping Operations had since identified and redeployed two posts to the Lessons Learned Unit. The redeployments had been reflected in the Secretary-General's support account staffing proposals for the Department for the period from 1 July 1998 to 30 June 1999.

12. The overall cost of Headquarters backstopping of peacekeeping operations was higher than the cost of support account resources. For the period from 1 July 1997 to 30 June 1998, based on directly identifiable and attributable funding of the Department of Peacekeeping Operations and those other units which had received support account resources, the overall cost was in the order of $56 million. For the period from 1 July 1998 to 30 June 1999, the cost was estimated to be in the order of $46.2 million.

13. With regard to non-post requirements, provision of general temporary assistance resources was proposed for the Accounts Division, to deal with the backlog in the processing of inter-office vouchers and the recording of field accounts at Headquarters; for the Administrative Law Unit of the Office of Human Resources Management, to deal with the backlog of peacekeeping-related disciplinary cases and staff appeals; and for the Medical Services Division of the Office of Human Resources Management, to deal with the backlog of peacekeeping-related claims for reimbursement of medical treatment provided after troops had returned to their home countries, and for death and disability cases.

14. Annex I to the report contained information on backstopping support requirements for the period from 1 July 1998 to 30 June 1999, while annex 2 contained information on other Secretariat departments and offices involved in providing backstopping support.

15. **Ms. Laux** (Officer-in-Charge of the Office of Human Resources Management), introducing the reports of the Secretary-General on the subject of gratis personnel (A/52/698, A/52/709 and Corr.1, A/52/710, A/52/823 and A/C.5/52/43), said that the reports indicated that there had been a 23-per cent reduction in the number of gratis personnel between 31 March and 31 December 1997 and a further reduction in the first quarter of 1998, which had brought the total annual decrease since 31 March 1997 to 26 per cent.

16. The Secretariat had noted the comments of ACABQ regarding the reasons reported by the departments concerned for the acceptance of gratis personnel and would inform the departments of those comments. It had also noted the advice of ACABQ with regard to the revised guidelines for type II gratis personnel and its views on the methodology to be applied and the level of administrative support costs for gratis personnel. Lastly, the Secretariat had taken note of the opinion of ACABQ on the phasing out of the use of gratis personnel in the Secretariat and wished to assure the Fifth Committee that the Office of Human Resources Management would work in close collaboration with the Department of Peacekeeping Operations to recruit suitable personnel to replace the gratis personnel who were being phased out.

17. **Mr. Atiyanto** (Indonesia), speaking on behalf of the Group of 77 and China, regretted the delay in the submission of the Secretary-General's report on the support account for peacekeeping operations (A/52/837), given that the General Assembly had decided in paragraph 3 of its resolution 51/239, that the report should be submitted no later than 31 March 1998. While the report attempted to reflect the total requirements of human and financial resources from all sources, it ought to have been more focused and analytical, and the assertions it contained were not supported by convincing analysis.

18. The Group of 77 and China wished to reaffirm the need both for adequate funding for the backstopping of peacekeeping operations and for the immediate conversion of positions occupied by gratis personnel to fully funded temporary posts, in the spirit of paragraph 11 of General Assembly resolution 51/239. They also noted the lack of functional analysis of backstopping requirements. In view of the need to phase out gratis personnel expeditiously and of the current status of peacekeeping operations, however, the Group of 77 and China requested the Secretary-General to submit to the General Assembly as a matter of priority detailed information on the job descriptions, functions and workload corresponding to the posts proposed for conversion so that the Assembly could take a decision during its current resumed session on the total level of human and financial resources needed for the conversion of those positions into temporary support account posts.

19. In his view, Secretariat staff should be appointed in a manner consistent with the provisions of Articles 97, 100

and 101 of the Charter and with the relevant resolutions of the General Assembly. He wished, moreover, to reiterate the principles which had been established in various Assembly resolutions that approved work programmes and mandates must be financed in the manner determined by the General Assembly, and that the Organization's budget should be prepared on a full-cost basis.

20. The high vacancy rate in the Department of Peacekeeping Operations contravened the provisions of paragraph 23 of General Assembly resolution 51/239, which had reaffirmed earlier resolutions requesting the Secretary-General to fill the vacant support account posts as early as possible. The Secretariat, moreover, continued to use gratis personnel against the vacancies for which United Nations staff should have been recruited and he sought an explanation for its failure to comply with Assembly resolutions.

21. The Group of 77 and China noted with particular concern that the Secretariat continued to assign to gratis personnel the functions referred to in paragraphs 16, 17 and 22 of the Advisory Committee's report on the support account for peacekeeping operations (A/51/906), including the processing of various types of claims, such as reimbursements for contingent-owned equipment, third-party claims and death and disability benefits. He regretted the Secretariat's failure to submit the report on the assigning of such functions to personnel occupying approved posts, which the General Assembly had requested in paragraph 26 of resolution 51/239, and the fact that gratis personnel had continued to work in such sensitive and important areas during the current biennium.

22. The Group of 77 and China noted the conclusion in paragraph 25 of the Secretary-General's report (A/52/837) that the division of labour between the Department of Political Affairs and the Department of Peacekeeping Operations was clear. Hardly any justification had been given for that conclusion, and the Secretariat should submit a detailed analysis showing a clear division of responsibility between the two Departments in order to facilitate consideration of the matter.

23. The Group of 77 and China had also noted that eight new posts had been proposed for the Rapidly Deployable Mission Headquarters and two new posts had been proposed for the Office of Internal Oversight Services. The Mission Headquarters should be financed through a trust fund, as originally envisaged. Moreover, there was no justification for the creation of two new posts for the Office of Internal Oversight Services, which was the only department that had not been affected by the nearly 10-per cent cut in human and financial resources in the regular budget for the biennium 1998-1999. The Group of 77 and China, however, supported the proposal of ACABQ for the establishment of four new posts for the asset management system.

24. **Mr. Heranan** (Indonesia), also speaking on behalf of the Group of 77 and China, said that those delegations deeply regretted the late submission of reports on agenda item 114, which had resulted in delays in the submission of the Advisory Committee's report and in the Committee's consideration of the item. The Group of 77 and China wished to reiterate their position that the budgets of the Organization should be submitted in accordance with the relevant resolutions of the General Assembly, indicating the total requirements for all human and financial resources and reflecting all the positions required to carry out the mandated programmes and activities.

25. The Group of 77 and China believed that all gratis personnel who fell outside the scope of paragraphs 4 (a) and (b) of General Assembly resolution 51/243 should be phased out expeditiously, and noted with concern the comments of the Advisory Committee in paragraphs 3 and 4 of its report (A/52/890). They endorsed the Advisory Committee's opinion that there should be a clearer demonstration and justification that acceptance of gratis personnel met the requisite criteria, and that practically all functions assigned to gratis personnel should be performed by staff members. The Secretariat should ensure that in future gratis personnel were not accepted because of a failure to recruit staff in an expeditious manner. The Secretary-General should continue to issue quarterly reports, as recommended by the Advisory Committee in paragraph 7 of its report.

26. He noted with satisfaction that the Secretariat had informed the Advisory Committee that only Member States would be approached for providing gratis personnel, in accordance with General Assembly resolution 51/243, and urged the General Assembly to take a decision to that effect. The Secretariat should have planned well in advance for the expeditious phasing out of gratis personnel after the adoption of resolution 51/243; the phase-out plan, in document A/52/710, which provided for the continuation of gratis personnel in the Secretariat until November 1999, was not in conformity with that resolution. He welcomed the information from the Secretariat that gratis personnel could be phased out by the end of December 1998 if adequate resources were provided, and stressed that the Secretariat should be provided with the necessary human and financial resources for carrying out its responsibilities in accordance with the Charter and the relevant General Assembly resolutions.

27. The Group of 77 and China had taken note of the Secretary-General's proposal on administrative support costs for gratis personnel in document A/52/823 but saw no rationale in the report for the fundamental change in the Secretary-General's position in documents A/51/688 and Add.1. No expenditure should be incurred from the regular budget for gratis personnel, in accordance with financial regulation 7.2 and financial rule 107.7.

28. He sought clarification on the Advisory Committee's observations in its report (A/52/890, para. 13) about the funding of support costs for gratis personnel in the United Nations Special Commission (UNSCOM) from frozen assets or voluntary contributions. The Secretariat should clarify whether those persons were performing purely technical and operational functions funded through voluntary contributions.

29. **Ms. Duschner** (Canada), speaking also on behalf of Australia and New Zealand, said that the establishment of the Department of Peacekeeping Operations six years earlier had created a significant capability with which Member States could fulfil their collective responsibility for maintaining international peace and security. That capability must not be allowed to slip away because of a failure of political will. In implementing the General Assembly's decision to phase out gratis military officers, care must be taken that arrangements to replace those officers were in place prior to their departure so that valuable expertise was not lost during the transition. In addition, the Department of Peacekeeping Operations should be provided with adequate resources to maintain essential functions and retain its capability to expand in response to any future growth in the level of peacekeeping activity.

30. The Department should undertake a fundamental review to determine whether its organization was appropriate to the task before it. The Secretary-General's proposal must provide convincing arguments for maintaining current personnel strength in the face of a significant decline of the level of peacekeeping activity. It remained unclear why those activities could not be accomplished in the absence of specific personnel. The Department's organizational structure should be based on an analysis of the core functions involved in the planning and execution of peacekeeping operations. Elements of that structure might include the provision of effective military, police and political advice to the Secretary-General, planning capacity for current missions and contingencies, the establishment of a rapidly deployable mission headquarters, a response capability to permit communications between the United Nations, Member States and field missions at all times, an administrative and logistics support capacity based on function, and a lessons-learned and training coordination capability.

31. On the question of the potential for overlap between the Department of Peacekeeping Operations and the Department of Political Affairs, she sought the views of the Secretariat on the relationship between those departments, given the lead role of the Department of Political Affairs in peace-building and the ability of the Department of Peacekeeping Operations to provide some key resources. There was also a question of the potential for overlap between the work of the Field Administration and Logistics Division and the Office of Programme Planning, Budget and Accounts. She called upon the Secretariat to make a detailed written brief on the claims process available during the informal consultations. By knowing how that system worked from start to finish, Member States would be in a better position to understand the delays experienced in processing claims.

32. The need for a rapidly deployable mission headquarters, as established in General Assembly resolution 52/12 B, had been vividly displayed during the establishment of the new mission in the Central African Republic (MINURCA). With only 19 days to establish the new field mission headquarters, the Department of Peacekeeping Operations had deployed many of its own staff, whose normal work had had to be put aside for several weeks.

33. She regretted that the Committee was poorly placed to make an informed decision on the support account because of a lack of time and delays in the issuance of documentation. She wished to see stronger justifications for Secretariat proposals and looked forward to discussing those issues in detail during informal consultations.

34. **Mr. Thorne** (United Kingdom), speaking on behalf of the European Union, the associate countries of Bulgaria, Cyprus, the Czech Republic, Estonia, Hungary, Latvia, Lithuania, Poland, Romania, Slovakia and Slovenia, and also Norway, said that the European Union had already made clear, in its statement on agenda item 142 (a), how committed it was to the primary role of the United Nations in the maintenance of international peace and security and the role that the Organization's peacekeeping operations could play in that respect. The United Nations must maintain and improve its operational capacity to effectively plan, deploy and manage current and future peacekeeping operations. To that end, the Organization needed a realistic concept of well-coordinated permanent, surge and specialist functions with the Department of Peacekeeping Operations and a clear understanding of the division of labour between that Department and other parts of the Secretariat. The

Department of Peacekeeping Operations must maintain the seconded expertise of active military and police personnel which reinforced its unique capabilities. The organizational gains of the past few years must also be preserved. He welcomed the Secretary-General's proposals to improve the rapid deployment capability of the Organization and its resourcing.

35. The Department of Peacekeeping Operations needed a structure and staff that was appropriate for both a high and a low intensity of United Nations peacekeeping operations. The European Union shared the concerns expressed over the inadequacy of the explanations provided thus far with regard to the Secretary-General's proposals for the structure and staffing of the Department and other organizational divisions involved in supporting peacekeeping operations.

36. The European Union agreed with the Special Committee on Peacekeeping Operations that the Department of Peacekeeping Operations must be maintained on a sound and secure basis through adequate United Nations funding for appropriate posts. It recalled its frequently stated position that while the regular budget should cover core functions, the support account should be used for non-core needs and to backstop newly created peacekeeping operations. Unfortunately, that distinction did not appear to be reflected in the Secretary-General's report.

37. The European Union accepted the Secretariat's view that there was no direct link between the dollar value of peacekeeping operations and the backstopping workload at Headquarters, but found it hard to believe that a fall from $3.5 billion in 1994 to around $800 million could have had no impact on the Department's workload or on that of other departments working in the same area. The introduction of new information technology and procedures ought to have had some impact on workload and staffing. Many more details were needed of the in-depth review and evaluation called for by the General Assembly, and he recalled the European Union's suggestion of 1997 that the Office of Internal Oversight Services or the Advisory Committee might carry out a review of the workload of posts and functions; accordingly, he welcomed the intention of the Advisory Committee to conduct such a review.

38. It was essential for the United Nations to continue to carry out mandated activities despite the decision to phase out gratis personnel. The European Union was content to see General Assembly resolution 51/243 fully and expeditiously implemented, but believed that the phase-out plan must incorporate transitional arrangements to minimize disruption and loss of continuity and expertise and, above all, to avoid jeopardizing the safety and welfare of the troops in the field.

39. He welcomed the fact that, for the first time, the Committee was being presented with a full-cost budget and a performance report. It was evident, however, that the report contained many gaps which would need to be filled if the Committee was to take a well-informed decision. If the Committee was unable to do so before October 1998, it would need a firm deadline to which it must adhere.

40. The European Union was submitting to the Secretariat a list of detailed written questions to which it hoped to receive answers later in the week.

41. With regard to the Advisory Committee's comments in paragraphs 7 and 8 of its report on financing of the United Nations Operation in Mozambique (ONUMOZ) (A/52/853) that the new procedures for the reimbursement of claims for contingent-owned equipment should not apply to ONUMOZ, he recalled that the General Assembly had taken a decision, reaffirmed in its resolution 51/218 E and supported by the Phase IV Working Group, that for missions activated prior to 1 July 1996, countries had the option to accept reimbursement under either the new or the old reimbursement methodology. The financial implications of the retrospective application of the new procedures were by no means clear; a comparison between the amount originally estimated for contingent-owned equipment by the Secretariat and the estimated cost of claims under the new procedures did not give a true picture. The European Union was unable to agree with the Advisory Committee that the Secretary-General's request for the retrospective application of the new procedures should be denied, but felt that it should apply only to those negotiations on reimbursement which had not yet been concluded. It appreciated the Advisory Committee's warning that there was a risk of double payment and recalled the comments of the Phase IV Working Group in that respect, but believed that the Secretariat should be able to rise to the challenge in a way that was fair to both the United Nations and troop contributors, perhaps by identifying which services were provided by the Organization and adjusting self-sustainment rates accordingly. The Secretariat might wish to consider that matter in the context of the Secretary-General's report on the new procedures, which was eagerly awaited.

42. **Mr. Sklar** (United States of America) said that his delegation agreed with most of the comments which had been made; all delegations were asking for information which had not been provided. There did seem to be an unclear division of labour between the Department of Political Affairs and the Department of Peacekeeping Operations, as well as overlap between the Department of Peacekeeping Operations and the Department of Management, and he was concerned that many other

questions might not have been answered in the information provided.

43. His delegation supported that General Assembly resolution 51/243 and was fully committed to the phasing out of gratis personnel, but wanted to ensure that disruption was minimized and there was no loss of continuity or expertise.

44. Given the importance of the decision on the financing of peacekeeping operations and the support account, he was concerned that insufficient information had been provided to Member States, and that the Secretariat had not carried out an in-depth review of its peacekeeping function so that it could explain and justify its needs. The United Nations had the capacity to effectively plan, deploy, sustain and liquidate United Nations peacekeeping operations, and maintaining that capacity was an indispensable element of the Organization's ability to address threats to international peace and security. In order to make intelligent decisions, the Committee needed more comprehensive, complete and integrated information about the current structure, staffing and funding of the peacekeeping organization, a description of the functions it was to carry out in the future, and a plan for structure, staffing and funding in the long and short terms.

45. At present, there was no comprehensive organizational structure, staffing table or budget for the Secretariat components that directly executed or backed up peacekeeping operations; staff that supported peacekeeping operations existed in several departments and funding came from the regular budget, the support account, trust funds and contributions in kind. Member States were being asked to accept funding requests for various peacekeeping functions, and for that purpose, they needed an integrated view of the entire peacekeeping operation. His delegation therefore requested the Secretary-General to provide an organizational chart showing all the components working in Secretariat peacekeeping operations, indicating the relationship between them; a description of the functional role, along with expected outputs or deliverables, of each of the components shown on the chart; an enumeration of how many people were currently funded or were proposed to be funded under the current plan, irrespective of funding source, in each area; identification of the amount and source of funds to pay for all staff by area and funding source; indications of any vacancies that existed in the staffing table; an indication of which positions were currently filled by active duty military, whether gratis or paid, and civilian police officers; and an indication of which positions would be filled by active duty military and civilian police officers if the current transition plan was approved.

46. In the meantime, it might be necessary to adopt an interim funding arrangement for the support account. His delegation supported the recommendations of the Advisory Committee in paragraph 14 of its report (A/52/892) and suggested that over the next three months the Fifth Committee should work with the Secretariat to obtain the information it needed. His delegation also agreed with the Advisory Committee's recommendation (para. 15) that $2 million should be approved to facilitate the conversion of 34 gratis positions to temporary posts. By giving the Secretariat three months to develop a comprehensive plan covering the entire peacekeeping function and providing the necessary funds to phase out gratis personnel, the Committee ought to be in a position at the end of that period to take the necessary decisions. His delegation fully supported the Rapidly Deployable Mission Headquarters concept and expected that, along with all other functions, it would be fully funded within the United Nations regular budget.

47. **Mr. Yamagiwa** (Japan) said that the support account requirements for the period starting 1 July 1998 were inextricably linked to the issue of the phasing out of gratis personnel pursuant to General Assembly resolutions 51/243 and 52/220. He noted with regret that the information provided by the Secretariat to the Advisory Committee was insufficiently analytical, so that the Advisory Committee had been able to provide only interim recommendations. He urged the Secretariat to provide explanatory, substantive and analytical information so that the Advisory Committee and the Fifth Committee could take an intelligent decision on the issue.

48. Japan agreed with ACABQ (A/52/892, para. 10) that a more convincing argument based on a functional analysis of backstopping requirements was needed to support the Secretariat's contention that there was no direct linkage between the total dollar level of all active peacekeeping operations and the backstopping workload performed at Headquarters.

49. Likewise, it was simplistic to argue that there was a clear division of labour between the Department of Political Affairs and the Department of Peacekeeping Operations; in fact, the issue of duplication arose with respect to the funding of posts. It was not justifiable, for instance, to finance all posts in the Peacekeeping Financing Division in the Office of Programme Planning, Budget and Accounts through the support account. In its next comprehensive review, the Secretariat should make it a priority to address that matter.

50. Regarding the conversion of gratis positions to temporary posts, Japan sought clarification as to whether all

30 of the existing vacancies funded by the support account could actually be utilized for functions other than the original ones. ACABQ was recommending the interim conversion of 34 gratis positions to temporary posts (A/52/892, para. 14), with priority given to military and civilian police functions, yet civilian functions deserved equal consideration. Moreover, Japan would like the Advisory Committee to confirm that 4 of the 34 temporary posts in question would be reserved for the Rapidly Deployable Mission Headquarters.

51. It was his understanding that the Secretary-General had been asked to phase out expeditiously only type II gratis personnel in conjunction with a full-cost budgeting of the Organization. In order not to compromise mandated activities, it was essential to convert appropriate gratis positions to temporary posts, particularly in view of the Advisory Committee's opinion (A/52/890, para. 4) that practically all functions assigned to the gratis personnel should be performed by staff members, and that it was the lack of adequate staff resources that gave rise to the acceptance of type II gratis personnel. The Secretariat must therefore recruit qualified staff as soon as possible.

52. Japan supported the revised guidelines for type II gratis personnel set out in document A/52/698, on the basis of full-cost budgeting, together with the proposed revision by the Legal Counsel regarding third-party claims (A/52/890, annex I). However, the final guidelines should, as ACABQ had pointed out (A/52/890, para. 8), deal also with the other entities, and not simply Governments, that could provide and had in fact provided gratis personnel.

53. **Mr. Saha** (India) said that the backstopping provisions of the support account proposal in document A/52/837 did not take into account the dynamic nature of peacekeeping, for the proposal had not addressed the impact of the decline in the number of troops, of the changing requirements of operations in the field or the differing requirements of low- and high-intensity periods of peacekeeping activity. Nor had the proposal considered areas of duplication between the Department of Peacekeeping Operations and other departments.

54. The questions and issues raised by Canada and the United Kingdom were pertinent and must be discussed in detail. India also endorsed the Advisory Committee's comprehensive comments on related issues that should have been addressed in document A/52/837. Without information on such issues, there could be no informed decisions about the legitimate staffing requirements of the Department of Peacekeeping Operations.

55. **Mr. Sial** (Pakistan) wished to know what the financial implications of the ACABQ recommendation (A/52/892, para. 2) that in future the vacancy factor for support account posts should be increased from 5 per cent to 8 per cent to offset the effects of the variance between average and actual salary costs, bearing in mind paragraph 23 of General Assembly resolution 51/239 and considering the further ACABQ recommendation (para. 14) that 30 vacant posts should be filled.

56. The Secretary-General's report on the support account (A/52/837) was a good attempt to review all backstopping staff requirements, but his delegation also wished to know why the Secretariat had not provided in time the information still being requested by the Advisory Committee in its report (A/52/892, paras. 8, 10 and 13).

57. Pakistan supported the Secretary-General's proposal for the conversion of posts pursuant to General Assembly resolution 51/243, and was pleased that the phasing out of gratis personnel would be completed by the end of 1998, assuming, of course, that arrangements would be made not to jeopardize the functioning of the Department of Peacekeeping Operations. Bearing in mind that there were only 124 gratis military officers in professional posts in the Department, however, it was not clear why the Secretary-General was proposing in document A/52/837 (para. 20) to recruit active-duty officers for only 36 out of the 106 posts to be converted from active military or police service.

58. His delegation believed that the Advisory Committee's recommendation to defer full approval of the support account proposal until October 1998 would seriously hamper orderly planning of activities within the Department of Peacekeeping Operations. It agreed, however, with ACABQ that it was contrary to the provisions of resolution 51/243 to accept type II gratis personnel for lack of adequate staff resources or because of a failure to recruit staff expeditiously (A/52/890, paras. 4 and 6), and that the Secretary-General's quarterly reports should clearly demonstrate that gratis personnel had been accepted in accordance with the requisite criteria (para. 7). The Secretariat's assurance that it would ask only Member States to provide gratis personnel, in accordance with resolution 51/243, should be specified in the Committee's resolution on the issue.

59. There had been a welcome acceleration in the phasing out of gratis personnel, accompanied by a welcome decrease in the number of type II gratis personnel and receiving departments.

60. **Mr. Lozinski** (Russian Federation) said that because his delegation had received the reports on the support account only a few days earlier, it had been unable to study

the matter in depth. The Secretariat must take steps to address the ongoing problem of late issuance of documentation in order to avoid repeating that situation in the future.

61. In the view of his delegation, the report of the Secretary-General raised more questions than it answered. He agreed with ACABQ that the report should have been more goal-oriented and analytical in nature and that its conclusions were not convincingly supported by the results of the analysis. The linkage between the dollar level of active peacekeeping operations and the backstopping workload performed at Headquarters (A/52/837, para. 32) should receive further study. His delegation had also noted a number of inaccuracies in the report and agreed with the Advisory Committee that reliable statistics were essential. Because those two problems precluded the possibility of further consideration both by ACABQ and the Fifth Committee, there was no alternative to postponing the deadline for taking a final decision on the financing of the account. In addition, the Secretariat should make every effort to provide correct information and to take the comments of Member States into account.

62. His delegation continued to believe that financial reports on peacekeeping operations should not presume to include political evaluations of the situation in a particular "hot spot". His delegation had been surprised, to say the least, that the Secretary-General's report had contained political and irrelevant material, and he urged the Secretariat to take another approach.

63. **Mr. Ayoub** ((Iraq) endorsed the statement made by Indonesia on behalf of the Group of 77 and China.

64. With reference to the reports by the Secretary-General (A/52/709) and the Advisory Committee (A/52/890) on gratis personnel, he asked why personnel provided gratis by some countries for assignment to UNSCOM who had previously been classified as type II personnel had, according to paragraph 5 of the Secretary-General's report, been reclassified as type I. He also wished to know what the financial implications of that reclassification were, since the support costs came from frozen Iraqi assets.

65. **Mr. Gjesdal** (Norway) endorsed the statement made by the representative of the United Kingdom, and said that Norway, which had always provided large peacekeeping contingents, believed that Headquarters resource needs for peacekeeping activities should be funded through the regular budget as far as possible, thus reflecting the priority given to such activities by the international community. The Secretary-General should be given the necessary resources to carry out mandates, meet the backstopping requirements for closure of operations and plan for future specialist and surge requirements.

66. The three essentials for effective coverage of backstopping functions were a permanent core capacity, a variable capacity to support ongoing missions, and an additional capacity to support the liquidation of completed missions. The first should be funded from the regular budget and the other two from the support account. His delegation continued to believe that the concept of a permanent core capacity was useful and indispensable for proper decisions on the programme budget and the support account.

67. Norway welcomed the funding method for the support account introduced two years earlier, based on actual backstopping requirements as foreseen at the time of the adoption of an annual support account budget, which allowed that budget period to match the one for peacekeeping operations. However, it was concerned that the one-year submission might not allow for proper planning and might be used as a pretext for delegations to micromanage the deployment of personnel, the details of which should be left to the Secretary-General. It should not be necessary, moreover, for the General Assembly to reconfirm the support account after three to six months. Accordingly, his delegation was disappointed at the ACABQ suggestion that final approval of the support account should be put off until the fifty-third session of the General Assembly, thus undermining the reformed budget cycle. The previous year, the Advisory Committee and the General Assembly had both gone along with a full-year approval on the basis of a much more incomplete Secretariat submission.

68. Even as backstopping requirements changed, it was essential for the United Nations to retain its ability to carry out mandates in that priority area despite the decision to phase out gratis personnel. Norway agreed with the Special Committee on Peacekeeping Operations that transitional arrangements should minimize disruption, loss of continuity and loss of expertise. The plans for phasing out gratis personnel should be gradually prepared as individual tours of duty expired.

69. **Mr. Euy Taek Kim** (Republic of Korea) said that his delegation welcomed the Secretary-General's proposal to create eight new support account posts for the Rapidly Deployable Mission Headquarters, but had some reservations regarding the proposed staffing of 469 temporary posts, which included 20 new posts and 106 posts converted from gratis personnel. It could not understand why the number of support account posts had been maintained or even increased, while overall expenses for peacekeeping operations were declining. The Secretariat had not argued

persuasively that there was no direct linkage between the overall operational costs and the backstopping workload (A/52/837, para. 32), or that the 55 regular budget posts together with the 224 currently authorized support account posts would not be adequate to support the anticipated workload (para. 22). It was, moreover, regrettable that the Secretariat had again failed to provide sufficient statistics and explanatory information in time to enable the Advisory Committee to complete its consideration of the Secretary-General's request for new encumbered posts. That had prompted the understandable ACABQ recommendation to convert 34 gratis personnel positions to temporary posts while making use of the 30 vacancies currently available for the interim period ending October 1998.

70. His delegation was satisfied with the current pace of the phasing out of the more than 200 gratis personnel, but cautioned that such a large-scale withdrawal by the end of 1998 should not be allowed to undermine operational efficiency. Noting with concern that the acceptance of gratis personnel inevitably involved additional associated costs, such as secretarial and administrative backstopping, which could amount to as much as 18 per cent of the entire cost of gratis personnel, his delegation shared the Secretary-General's view in document A/52/823 that it was unreasonable for those additional costs to be absorbed through the assessed contributions of all Members. The donors of gratis personnel should themselves bear those costs, as a matter of principle.

71. ACABQ was correct in contending that insufficient staff resources rather than the need for specialized functions resulted in the acceptance of type II gratis personnel. In that regard, however, there should be full compliance with the criteria prescribed by the General Assembly in resolution 51/243.

72. His delegation welcomed the revised guidelines for type II gratis personnel set out in document A/52/698 and hoped the next quarterly report would again provide detailed information on the duration of service of gratis personnel and the functions they performed.

73. **Mr. Odaga-Jalomayo** (Uganda) said that his delegation endorsed the statement by the representative of Indonesia on behalf of the Group of 77 and China concerning gratis personnel and also took note of the issues raised by the representative of Pakistan. His delegation was concerned that the acceptance of type II gratis personnel provided by Governments would tend to undermine paragraph 4 of General Assembly resolution 51/243. It would be a false savings to bring in gratis personnel to perform work that staff should be doing, and the acceptance of the practice had been necessary only to make up for the failure of the Secretariat to recruit qualified staff.

74. With regard to the arguments on loss of continuity and expertise, he pointed out that the loyalties of gratis personnel lay with their Governments rather than the Organization; furthermore, such personnel could be withdrawn at any time, one of the main reasons behind the call for their elimination. The Organization should concentrate on recruiting international civil servants. It was also regrettable that gratis personnel had been used to negotiate on behalf of the Organization regarding contingent-owned equipment.

75. **Ms. Duschner** (Canada) said that the questions raised by the representative of the United Kingdom on behalf of the European Union were worthy of review. Her delegation aligned itself with that statement and looked forward to receiving the answers to the questions raised.

The meeting rose at 12.30 p.m.